

DAILY REPORT

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OFFICIAL TASS ASSESSMENT OF USSR-FRANCE SUMMIT

OW110240 Beijing XINHUA in English 0212 GMT 11 Oct 85

[Text] Moscow, October 10 (XINHUA) -- Soviet leader Mikhail Gorbachev's talks with French President Francois Mitterrand and the agreements they reached during his recent visit to France "have laid a good foundation for the further development of friendly relations" between the two countries, TASS reported today.

In the first official assessment reported by TASS of Gorbachev's France visit earlier this month, the Political Bureau of the Soviet Communist Party said at its regular meeting, which studied the results of the visit, that the Soviet-French summit meeting was of great importance in "strengthening European security, expanding European cooperation and improving the international situation."

On the arms control offer made by Gorbachev during his visit, the meeting said the new Soviet initiatives "are regarded as an act of opening up possibilities for a turn towards a radical improvement of international relations and strengthening of the security of all countries and peoples," TASS said.

The absence of public comments at this authoritative meeting on the two countries' views on European security, strategic weaponry and other major international issues in the world is seen here as an indication of the failure during the visit to narrow their differences on these issues.

UN OFFICIAL URGES PEACEFUL SOLUTION OF DISPUTES

OW100857 Beijing XINHUA in English 0642 GMT 10 Oct 85

[Text] United Nations, October 9 (XINHUA) -- International disputes should be solved through peaceful means in strict compliance with basic norms of international relations, a Chinese official said here today.

Wang Houli, special adviser to the Chinese delegation to the 40th session of the United Nations General Assembly, made the comment at a meeting of the sixth (legal) committee of the General Assembly. The committee is charged with enhancing the principle of non-use of force.

In 1977, the General Assembly set up the special committee to draft a world treaty on non-use of force in international relations. Wang noted that after eight years of trying to draft the treaty there is still serious disagreement on its content.

Wang said the special committee should first formulate a set of basic elements or an outline on the issue of non-use of force. The form of the document could be worked out later, he said. He proposed the following principles for the document: "The political settlement of situations of tension or conflicts should be reached in strict compliance with the basic norms of international relations and through peaceful negotiations on a fair and just basis"; "the use of force or threat of the use of force must be immediately stopped"; "armed forces invading other countries must be completely withdrawn"; and "the independence, sovereignty and territorial integrity of victimized states must be fully respected."

Wang said that because the arms race is a growing threat to world peace, disarmament and confidence-building measures constitute an important part of the effort to enhance the effectiveness of the principle of non-use of force.

"The inseparability of disarmament and non-use of force should be implicitly embodied in the provision," he said. The Chinese official said that because nuclear weapons pose a grave threat to mankind, it is necessary to stress the prohibition of nuclear weapons in the principle of non-use of force.

Wang proposed the following sentences for the document:

"All nuclear states, especially those with the largest nuclear arsenals, should bear the responsibility not to be the first to use nuclear weapons under any circumstances, and unconditionally renounce the use of or threat of use of nuclear weapons against the non-nuclear states and nuclear free zones. The nuclear states should also, on this basis, share more international obligations for the prohibition of use of nuclear weapons."

PRC URGES UNESCO TO STRENGTHEN COOPERATION

OW110056 Beijing XINHUA in English 0031 GMT 11 Oct 85

[Text] Sofia, October 10 (XINHUA) -- China today called on all member states of the 160-nation UNESCO to strengthen dialogue and cooperation by displaying the spirit of mutual understanding, concession and compromise. This point was underlined by the head of the Chinese delegation, Gao Yi, during the general debate of the 5-week 23rd session of the U.N. Educational, Scientific and Cultural Organization general conference, which opened here Tuesday.

Gao said opinions and demands inevitably differ because of the difference in political system among the member states. However he stressed that withdrawal from the organization in defiance of the general interest "does not help solve problems, but instead jeopardizes the principle of universality of the organization and international cooperation among the member states."

In his 4-point suggestions, he advocated an adherence to the principle of reaching unanimity through consultation and of seeking common ground while reserving differences. If divergence of views still exists even after consultations, he said, it is proper to put off voting to give more time to various parties for consideration before reaching consensus. As for financial difficulties since U.S. withdrawal from UNESCO last December, the chief Chinese delegate said that the organization should stick to the principle of practising economy and keeping expenditures within the limits of income, and spend its limited funds on what is most urgently needed, "especially by the developing countries." China provided the organization with voluntary contributions in April this year, and many other Third World countries which are in economic difficulties have offered and paid in full their shares, he said. He appealed to the big powers to fulfil their promises. While paying tribute to the successful reform work of the organization in the past year or so, he stressed that the reform decisions and measures already agreed upon should be implemented one by one on schedule. The history of UNESCO growth from a membership of over 20 countries upon its founding in 1946 to the current membership of 160 states has in itself proved its value for existence and manifested its vitality, he said. China supports in principle the draft program and budget for 1986-87 which basically complies with the guidelines provided for in the second medium-term plan and with the related resolutions adopted at the 120th session of the executive board meeting, he said.

LI PENG ON TRADE DEFICIT PROBLEM WITH U.S.

OW111332 Beijing XINHUA in English 1322 GMT 11 Oct 85

["Li Peng Meets U.S. Visitors" -- XINHUA headline]

[Text] Beijing, October 11 (XINHUA) -- Chinese Vice-Premier Li Peng told a visiting U.S. delegation here today that the problem of the Sino-U.S. trade deficit must be solved.

While meeting the delegation from the Board of Directors of the National Council for U.S.-China Trade, he said that in order to further develop the bilateral trade, the present trade structure must be changed and the product mix on both sides needs to be readjusted.

David A. Scott, head of the delegation and chairman of the council, told Li that the council will discuss the problem with Chinese departments concerned and search out a way to solve it. He added that since the council was set up in 1973, it has made great efforts to promote the development of U.S.-Chinese economic relations and trade, and opposed all protectionism.

Li Peng expressed his thanks to the council for its contribution to the development of bilateral economic relations and trade. He hoped the two countries would strengthen their cooperation in the fields of power and electronics industries.

XINHUA CITES NITZE'S REMARKS AT NATO MEETING

OW100739 Beijing XINHUA in English 0721 GMT 10 Oct 85

[Text] Brussels, October 9 (XINHUA) -- Paul Nitze, U.S. President Ronald Reagan's special adviser on arms control, said here today that the latest Soviet arms reduction proposal might be positive but careful study of the offer is still needed.

Paul Nitze, who was at the meeting of the council of the North Atlantic Treaty Organization, told a news conference that "We would prefer to study them (the Soviet proposals) carefully and try to understand them as well as we can before taking a firm position." Many parts of the Soviet offer, he added, differed from past Soviet positions, and "certainly a 50-percent reduction in arms could be positive."

He briefed the NATO council on the latest Soviet proposal and heard opinions of its allies.

The NATO meeting was convened at the request of Belgium and the Netherlands.

The Dutch Government had said more than a year ago it would give final approval for deployment of the 48 cruise missiles if, on November 1, the number of Soviet SS-20s was 378 or greater. The Netherlands announced in September that the number of SS-20s missiles deployed in eastern and western Soviet Union had grown by 18 to a total of 441. However, Soviet leader Mikhail Gorbachev said last week the number of SS-20s stationed within striking distance of Western Europe had been reduced to 243.

The 48 U.S. missiles to be stationed in the Netherlands are among 572 cruise and Pershing 2 missiles due to be deployed in five West European countries by 1988. The four other nations -- Britain, Italy, Belgium and Federal Germany -- already have begun deployment.

U.S. HOUSE PASSES TEXTILE IMPORT RESTRICTION BILL

OW110738 Beijing XINHUA in English 0656 GMT 11 Oct 85

[Text] Washington, October 10 (XINHUA) -- Disregarding repeated warnings of a veto by President Ronald Reagan, the U.S. House of Representatives today approved a bill to sharply cut textile and apparel imports. The House passed the bill 262 to 159. It will now move on to the Senate. Debate prior to the vote saw a head-on clash between opponents and backers of the bill.

Free-trade supporters said that textile state politicians have inflated their claims about damage to U.S. markets from textile imports and resulting unemployment. They said the bill was bound to boomerang on farmers, workers and consumers by bringing retaliation in East Asia against American exports.

The textile bill, if passed in the Senate and approved by the President, would cut back textile imports from most nations to either 1984 or 1980 levels, and then permit one percent or six percent growth, depending on the growth of a country's exports to the U.S. market in the past five years. This means that 11 Asian countries and regions and Brazil will suffer an average 35 percent drop in their exports to the United States of fabrics and apparel.

The textile bill is the first of more than 300 similar protectionist measures that have been submitted to Congress. Some law-makers argue that these measures can bring down the huge U.S. trade deficit, estimated to be 150 billion U.S. dollars this year.

The Reagan administration has denounced the textile bill, saying it will bring retaliation against U.S. exports and thus cause more layoffs and worsen the trade deficit. It also says the bill would raise consumer prices and violate international agreements.

The margin of victory in the 435-member House was 28 votes short of the two-thirds needed to override a presidential veto, and indicated a substantial decline in support for the textile bill.

SHULTZ URGES APPROVAL OF ARMS PACKAGE TO JORDAN

OW110444 Beijing XINHUA in English 0233 GMT 11 Oct 85

[Text] Washington, October 10 (XINHUA) -- U.S. Secretary of State George Shultz urged Congress today to approve a 1.5-1.9 billion U.S. dollars arms package for Jordan. Testifying before the Senate Foreign Relations Committee, Shultz said the U.S. arms sale to Jordan "represents a powerful political signal of American support for Jordan that will strengthen Jordan's ability to withstand terrorist and military threats." "To refuse to meet Jordan's needs at this juncture would not only be a real break in continuity of the Middle East peace process, but would also signal that the United States does not fully support Jordanian King Husayn's peace efforts," Shultz added.

U.S. President Ronald Reagan, however faces a hostile Congress over his approval at the end of last month of an arms sale to Jordan, which includes 40 advanced fighter aircraft. The package, which must be approved by Congress, was opposed by pro-Israeli congressmen who contend they have enough votes to defeat the sale and overturn a possible presidential veto. The Congress now has more than 30 days to review the sale.

The latest foreign aid bill bars sales of advanced arms to Jordan unless King Husayn demonstrates he is committed to the recognition of Israel and to encouraging negotiations between Israel and Arab countries.

FURTHER ON VISIT OF TOLKUNOV-LED USSR GROUP

Talks With Peng Chong

OW101512 Beijing XINHUA in English 1450 GMT 10 Oct 85

[Text] Beijing, October 10 (XINHUA) -- Peng Chong, vice-chairman of China's National People's Congress (NPC) Standing Committee, held talks here today with a delegation from the Supreme Soviet of the Soviet Union led by Lev Nikolayevich Tolkunov, chairman of the Soviet of the Union of the Supreme Soviet.

During the talks, both sides expressed pleasure for the resumption of relations between the two countries' parliaments after 20 years' suspension.

Peng briefed the delegation on China's system of people's congresses and their legislative work and on China's political and economic situation.

Tolkunov briefed Peng on the work of the Supreme Soviet and the domestic situation and foreign policy of the Soviet Union.

[Beijing XINHUA Domestic Service in Chinese at 1658 GMT on 10 October carries a report on the talks held between Peng Chong and the visiting delegation from the Supreme Soviet of the Soviet Union led by Lev Nikolayevich Tolkunov, chairman of the Soviet of the Union of the Supreme Soviet which adds the following paragraphs....

[NPC Standing Committee members Zhang Chengxian, Zhang Zhixiang, and Mei Xing were present at the talks.

[The USSR Supreme Soviet delegation arrived in Beijing by plane this morning at the invitation of the NPC Standing Committee. Vice Chairman Peng Chong and member Mei Xing of the NPC Standing Committee, as well as Soviet Ambassador to China Shcherbakov, greeted the delegation at the airport.

[In a written statement issued at the airport, Tolkunov said that they hoped that through the visit, they would be able to familiarize themselves with the work of China's supreme power organ and local people's congresses, as well as its everyday life and achievements in economic and social development. He said: "We regard the resumption of ties between the supreme organs of power of the Soviet Union and China as a sign of positive change in Soviet-Chinese relations." This visit is a return visit for the one paid by China's NPC Delegation to the Soviet Union last March.]

Peng Chong Hosts Banquet

OW101635 Beijing XINHUA in English 1623 GMT 10 Oct 85

[Text] Beijing, October 10 (XINHUA) -- The Chinese National People's Congress (NPC) Standing Committee gave a banquet for a delegation from the Supreme Soviet of the Soviet Union here tonight.

Peng Chong, vice-chairman of the NPC Standing Committee, presided over and spoke at the banquet.

After expressing a warm welcome to the delegation, which is led by Lev Nikolayevich Tolkunov, chairman of the Soviet of the Union of the Supreme Soviet, Peng [Beijing XINHUA Domestic Service in Chinese at 1815 GMT on 10 October carries a report on the banquet for the USSR Supreme Soviet delegation which adds...recalled the visit to the Soviet Union by the NPC delegation led by Zhang Chengxian last March and...] briefed the visitors on China's achievements in socialist construction over the past 30-odd years.

He said China pursues an independent and peaceful foreign policy and is willing to establish and develop friendly relations with all other countries on the basis of the five principles of peaceful coexistence. The peoples of the two neighboring countries of China and the Soviet Union have a traditional friendship, he said. To strengthen and expand this friendship is the common desire of the two peoples, he added.

Peng Chong assured the Soviet visitors of the Chinese people's determination to continue to work hard for this. He said the delegation's current visit will help expand relations between the two countries' parliaments and promote friendship between the two peoples.

In reply, Tolkunov described the resumption of relations between the two countries' parliaments as an indication of positive changes in Sino-Soviet relations. He said increased ties and contacts in various fields between the two neighboring countries will help them share their experience in building socialism and enhance understanding and the traditional friendship between the two peoples.

He described China's changes in the past few years as remarkable and wished the Chinese people greater successes in their socialist construction and a happy life.

Among those present at the banquet were NPC Standing Committee members Zhang Chengxian, Zhang Zhixiang and Mei Xing, as well as Soviet Ambassador to China I.S. Shcherbakov.

[Beijing in Russian to the USSR at 1800 GMT on 10 October carries a report on the banquet for the USSR Supreme Soviet Delegation which states... Qian Qichen, PRC vice minister of foreign affairs, and Shcherbakov, USSR ambassador to the PRC were present at the banquet.]

GORBACHEV, AL-QADHDHAFI BEGIN TALKS IN MOSCOW

OW110252 Beijing XINHUA in English 0122 GMT 11 Oct 85

[Text] Moscow, October 10 (XINHUA) -- Libyan leader Mu'ammarr al-Qadhdhafi started talks here today with his Soviet counterpart Mikhail Gorbachev on the situation in the Near and Middle East and Mediterranean area, the official news agency TASS said.

Al-Qadhdhafi arrived here this afternoon on his first official visit to Moscow since 1981. During the visit he is expected to finalize the text of a friendship treaty that the two countries agreed to sign in 1983.

TASS said the two also discussed recent Soviet arms control proposals and some issues concerning Africa, the Iran-Iraqi war and the role of the Non-aligned Movement.

The Soviet new Prime Minister Nikolay Ryzhkov, Foreign Minister Eduard Shevardnadze and Defense Minister Sergey Sokolov attended today's talks, TASS said.

REPORTAGE ON JAPAN FOREIGN MINISTER ABE'S VISIT

Talks With Wu Xueqian

OW101526 Beijing XINHUA in English 1500 GMT 10 Oct 85

[Text] Beijing, October 10 (XINHUA) -- Chinese Foreign Minister Wu Xueqian and his Japanese counterpart, Shintaro Abe, exchanged views on bilateral relations and international issues of common interest in a round of talks here this afternoon. The talks were conducted in a friendly, frank and sincere atmosphere, at the Great Hall of the People. Abe arrived here earlier this afternoon on a visit to China as guest of Wu, who is also a state councillor.

The two foreign ministers hoped to further develop the good-neighborly relations between the two countries by adhering to the 1972 Sino-Japanese joint statement, the 1978 treaty of peace and friendship between the two countries and the four guiding principles for Sino-Japanese relations -- peace and friendship, equality and mutual benefit, mutual trust, and long-term stability.

Speaking of problems in the bilateral relations, Abe said the Japanese Government would never forget its position described in the joint statement, that "The Japanese side is keenly aware of Japan's responsibility for causing enormous damages in the past to the Chinese people through war, and deeply reproaches itself." He said the Japanese Government had not changed its position. Japan would not go along the road of militarism, and that is also the will of the Japanese people, he said.

Wu said that Sino-Japanese friendship is the common desire of both peoples, and the two governments should do more to upgrade the friendship and not harm bilateral relations.

The Chinese foreign minister hoped the Japanese Government and statesmen would be far-sighted enough to keep the promise of not becoming a military power or go along the road of militarism again.

Wu expressed his hope that China and Japan would make common efforts to contribute to peace and stability in Asia and the world.

This evening, Wu gave a banquet in honor of Abe, his wife and their party at the Diaoyutai state guesthouse.

- KYODO Report on Talks

OW101305 Tokyo KYODO in English 1259 GMT 10 Oct 85

[Text] Beijing, Oct 10 KYODO -- China sounded a warning Thursday against a possible revival of Japanese militarism, which devastated large parts of China before and during World War II, Japanese officials said. Chinese Foreign Minister Wu Xueqian talked with his Japanese counterpart Shintaro Abe in their first regular consultation here and urged Japan to honor its promise not to become a major military power again, the officials said.

Abe, who arrived in Beijing earlier in the day and immediately went into the consultation, lasting two-and-a-half hours, told Wu Japan will never follow the road toward militarism.

The Chinese asked Abe to understand Chinese sentiment behind an anti-Japanese march last month, the officials said. The anti-Japanese sentiment emerged in China after Prime Minister Yasuhiro Nakasone paid an official visit on August 15 to the Yasukuni Shrine in Tokyo, which is dedicated to over 2.4 million Japanese war dead.

China said last month the visit damaged the sentiment of Asian peoples because Japan's wartime military leader, Gen Hideki Tojo, and 13 other class-A war criminals are enshrined there. Crying "Down with Japanese militarism" and "Down with Nakasone," about 1,000 Chinese students staged an anti-Japanese march on September 18, the 54th anniversary of the start of Japanese aggression against China. Wu called for Japan's prudence in the matter and urged Tokyo not to harm friendly ties between the two countries, the Japanese officials said.

Both foreign ministers delivered keynote speeches at the outset of the consultations and appealed for further friendship.

Wu said in his speech that a frank exchange of views will deepen the bilateral relationship and solve problems. Abe, in his speech, unveiled a four-point doctrine calling, among other things, for promoting bilateral ties according to the 1972 joint communique, the 1978 peace and amity treaty and the four principles of peace and amity; mutual benefits and equality; mutual trust, and long-term stability.

Abe's doctrine binds Japan to follow the course of a peaceful state; not to become a major military power again; and to learn teachings from the past and develop friendship with China, the officials said. The Chinese foreign minister welcomed Abe's concept, they said.

The two foreign ministers discussed international affairs and agreed to oppose protectionist moves in the United States Congress, the officials said.

Wu said he expected no major change in Sino-Soviet ties even after Mikhail Gorbachev took power at the Kremlin last March. The Chinese minister was pessimistic about the future of disarmament talks between the United States and the Soviet Union, which he said remain wide apart. China favors a relaxation of tension on the Korean peninsula, Wu was quoted as saying.

On Indochina, the Chinese reaffirmed Beijing's conventional stand to oppose Vietnam's aggression and occupation of Kampuchea, call for a complete pullout of Vietnamese troops from Kampuchea and to pursue a political solution to the Kampuchea war, the officials said.

Abe and Wu agreed to make efforts for an early conclusion of a Japan-China investment protection accord, they said.

Wu Xueqian Hosts Banquet

HK101547 Beijing ZHONGGUO XINWEN SHE in Chinese 1439 GMT 10 Oct 85

[Report: "Wu Xueqian says: China Hopes That Japan Will Honor Its Promise Not To Become a Military Power and Continue To Take the Road of Peaceful Development" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 10 Oct (ZHONGGUO XINWEN SHE) -- Today, in Beijing, Wu Xueqian, foreign minister and state councillor, once again reminded Japan not to repeat its militarist mistakes. He said: We sincerely hope that the Japanese Government and far-sighted Japanese politicians will adhere to a peaceful foreign policy, honor the promise of not becoming a military power, and continue to take the road of peaceful development.

Wu Xueqian said the above things at a banquet hosted by him in honor of Japanese Foreign Minister Abe who is now visiting China.

Wu Xueqian continued: Sino-Japanese friendship and cooperation have greatly benefited the two countries. This is the main feature of the relations between them. The governments and peoples of these two countries have worked very hard toward this goal. That is why we should cherish it with redoubled efforts in the future. In addition, in the course of the development of relations between the two countries, there have been some problems which merit our attention. We should earnestly draw historical lessons, base our decisions on the present circumstances, face the future, and appropriately and promptly solve these problems.

In his speech, Wu Xueqian reiterated that it is China's basic national policy to steadily develop the good-neighborliness and friendly relations between the two countries along with the Japanese Government and people and on the basis of the Sino-Japanese joint declaration, the Sino-Japanese friendship treaty, and the four principles governing Sino-Japanese relations.

Wu Xueqian is of the opinion that, given the grim contemporary international situation and China's and Japan's common need for a protracted peaceful international environment, the consolidation and strengthening of Sino-Japanese friendship would be beneficial to their development and significantly contribute to safeguarding peace and stability in the Asia-Pacific area and world peace and stability. Thus, the two countries should make joint efforts, enhance their mutual trust, and closely cooperate.

In his speech, Wu Xueqian highly praised Foreign Minister Abe for his contributions to enhancing Sino-Japanese friendship and cooperation, saying that "he has been enthusiastic about the cause of Sino-Japanese friendship for a long time."

In response, Foreign Minister Abe said that Japan had not in any way changed its principle of valuing Sino-Japanese relations. In addition, he said, Japan is going to review the past and draw lessons from it. There has been no change in this fundamental spirit. He said that as Japan's foreign minister, he sincerely hoped that today's friendship and cooperation between the two countries would further develop and be passed on to future generations. He indicated that he has resolved to try his best. He said: Fundamentally speaking, we should absolutely not discard the mutual respect called for by the four principles.

The banquet was held at the Diaoyutai state guest house, where the foreign minister is staying.

Meets Li Peng, Gu Mu

OW111122 Beijing XINHUA in English 1056 GMT 11 Oct 85

[Text] Beijing, October 11 (XINHUA) -- Chinese Vice-Premier Li Peng and State Councillor Gu Mu met on separate occasions with Japanese Foreign Minister Shintaro Abe here today.

Gu Mu hosted a luncheon for Abe and his wife after the meeting.

KYODO on Meeting

OW110937 Tokyo KYODO in English 0929 GMT 11 Oct 85

[Text] Beijing, Oct. 11 KYODO -- Vice Premier Li Peng Friday expressed "understanding" toward Japanese feelings in the controversy over paying official tribute to the war dead at Tokyo's Yasukuni Shrine. Li made the remarks in a meeting with Japan's Foreign Minister Shintaro Abe, Japanese sources said.

Li was quoted as telling Abe that China understands Japan's domestic circumstances surrounding the Yasukuni issue, while also asking Abe for understanding on China's feelings on the subject. Li's remarks, however, not seen among Japanese diplomatic observers as an endorsement of official visits by Japanese Government leaders to the Yasukuni Shrine but rather as a recognition of the realities of the issue.

China made sharp protests after Japan's Prime Minister Yasuhiro Nakasone paid an official visit to Yasukuni on August 15, saying the move has injured the feelings of the Chinese people. Yasukuni is a Shintoist Shrine dedicated to Japan's war dead, including World War II leaders later condemned as war criminals.

In a 50-minute meeting with Abe at the Great Hall of the People, Li obliquely blamed Japan for what he described as "unstable elements" in Sino-Japanese relations, attributing such instability partly to the historical relations between the two nations. Li said he hoped the leaders in Japan would attach importance to Sino-Japanese friendship.

Abe responded that he will bear the point in mind both in his capacity as foreign minister and as a politician, Japanese officials said.

Talks With Deng Xiaoping

OW111132 Beijing XINHUA in English 1119 GMT 11 Oct 85

[Text] Beijing, October 11 (XINHUA) -- A top Chinese leader, Deng Xiaoping, today expressed satisfaction with the overall development of Sino-Japanese relations while indicating certain inadequacies in economic and political aspects.

Deng, chairman of the Communist Party Central Advisory Commission, was reviewing the Sino-Japanese relations over the past 13 years at a meeting here with Japanese Foreign Minister Shintaro Abe.

"We are satisfied with the overall development of the Sino-Japanese relations" since the normalization of their relations and subsequent signing of the peace and friendship treaty, he said. However, he added, it is not satisfactory enough. He said: "What we are satisfied with is that the development of relations between the two countries has been normal and they are still improving. What we not so satisfied with is there are still certain inadequacies in our economic and political links."

Regarding China's trade deficit with Japan, Deng said he hoped the two sides would work together to find a solution which would promote sustained growth of Sino-Japanese economic co-operation and trade.

With regard to certain political problems, he went on, statesmen of both countries should pay great attention to them and handle them appropriately through full consultation. Political and economic relations between the two countries and friendship between the two peoples should be further strengthened, and they should both try to avoid hurting the feelings of the people.

Abe said that Japan should deeply reproach itself for causing damages to the Chinese people in the past war and must never forget it. The Japanese people today have a strong desire for friendship with China. The Japanese minister added: "We must strictly abide by the spirit of the Sino-Japanese joint statement, the China-Japan peace and friendship treaty and the four guiding principles for Sino-Japanese relations."

I. 11 Oct 85

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

"We will strive to develop our relations and are also willing to make positive efforts toward the solving of problems in our trade."

KYODO on Talks

OW110627 Tokyo KYODO in English 0615 GMT 11 Oct 85

[Excerpt] Beijing, Oct. 11 KYODO -- China's senior leader Deng Xiaoping Friday confirmed the current good relations in general between China and Japan, but repeated China's criticism of the so-called Yasukuni Shrine issue, though his criticism was expressed indirectly.

The "official" visit by Japanese Prime Minister Yasuhiro Nakasone and his cabinet ministers to Tokyo's Yasukuni Shrine on the August 15 anniversary of the end of World War II has brought strong criticism from the Chinese. The Shinto Shrine is dedicated to Japan's war dead but a number of war criminals are also enshrined there.

Deng had an hour-long meeting with visiting Japanese Foreign Minister Shintaro Abe Friday morning at the Great Hall of the People.

Deng said both Japan and China should make efforts to avoid an incident or situation which would cause offense to the people -- apparently an indirect criticism of Nakasone's "official" visit to the Yasukuni Shrine. The Chinese say such visits reflect a resurgence of militarism in Japan and offend Asians who have suffered at the hands of Japanese invaders.

CHEN MUHUA ON FOREIGN TRADE WITH JAPAN

OW101240 Beijing XINHUA in English 1224 GMT 10 Oct 85

[Text] Beijing, October 10 (XINHUA) -- Chen Muhua, president of the People's Bank of China, announced here today that China has enough foreign exchange reserves to back up its trade with other countries.

She told a group of Japanese journalists that at the end of 1984, China's foreign exchange reserves came to 14.4 billion U.S. dollars, and gold reserves 12.67 million ounces (equivalent to over 4 billion U.S. dollars).

In the first half of this year, she conceded, China suffered a deficit in foreign trade due to increased imports. But China also earned foreign exchange through other channels than trade. By March this year, the country's foreign exchange reserves stood at 11.2 billion U.S. dollars and the gold reserves maintained the 1984 level.

"At present," Chen Muhua, who is also a state councillor, stated, "The situation in China's foreign trade is improved. China has enough foreign exchange reserves to support its foreign trade."

Discussing Sino-Japanese trade, Chen Muhua said that China suffered a deficit. "We hope the Japanese side will import more goods from China so as to strike positive a balance. And this will be beneficial to both sides." She also explained China's policy regarding foreign investment.

The Japanese journalists, headed by Yoichi Umemoto, deputy managing editor of ASAHI SHIMBUN, arrived here October 7 as guests of the All-China Journalists Association.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

WPK'S 40TH FOUNDING ANNIVERSARY OBSERVED

DPRK Envoy Hosts Film

OW091750 Beijing XINHUA in English 1601 GMT 9 Oct 85

[Text] Beijing, October 9 (XINHUA) -- Sin In-ha, ambassador of the Democratic People's Republic of Korea to China, gave a film reception here this evening at the embassy in celebration of the 40th anniversary of the founding of the Korean Workers Party. Among those attending were Qiao Shi, member of the Political Bureau and the Secretariat of the Central Committee of the Communist Party of China, and Qian Liren, member of the CPC Central Committee and head of the International Liaison Department of the CPC Central Committee. The Korean documentary, "Group Callisthenics -- Following the Banner of the Party", was shown at the reception.

Xi Zhongxun at Ministry Fete

OW102101 Beijing XINHUA in English 1850 GMT 10 Oct 85

[Text] Beijing, October 10 (XINHUA) -- A film reception was held here today by China's Ministry of Culture in celebration of the 40th anniversary of the founding of the Korean Workers Party. Member of the Political Bureau of the Chinese Communist Party Central Committee Xi Zhongxun and Minister of Culture Zhu Muzhi were present.

In his speech, Vice-Minister of Culture Lu Zhixian described the Korean party as a Marxist-Leninist one with a long and glorious revolutionary history. He said that the peoples of China and Korea are comrade-in-arms and brothers. He pointed out that the two parties and governments, with complete mutual trust and support, established close and friendly cooperative relations in their struggle against foreign aggressors and for building socialism. He said that exchange of visits by the leaders of the two countries pushed their mutual understanding and cooperation to a new level. He expressed the confidence that the friendship between the two parties, governments and peoples would surely continue to develop.

Sin In-ha, ambassador of the Democratic People's Republic of Korea to China, described 1985 as a year of great significance for the 40th anniversary of the founding of the Workers Party and the fifth anniversary of the proposal by President Kim Il-song for establishing a democratic confederal republic of Koryo. He expressed his gratitude to the Chinese Communist Party and Government for their consistent support for the proposal. The traditional friendship between the two parties and peoples will pass from generation to generation, he said.

A Korean feature film was shown at the reception.

RENMIN RIBAO Editorial

OW092139 Beijing XINHUA Domestic Service in Chinese 1833 GMT 9 Oct 85

[Text] Beijing, 10 Oct (XINHUA) -- RENMIN RIBAO today has published an editorial, entitled "Forty Splendid Years," to warmly congratulate the 40th anniversary of the founding of the WPK. The full text of the editorial reads as follows:

Forty Splendid Years

-- Congratulate the Workers Party of Korea on its 40th founding anniversary

The 40th anniversary of the founding of the WPK falls on 10 October this year. The Chinese people extend their warmest greetings to the heroic Korean people and the WPK. The WPK is a Marxist-Leninist political party with a glorious tradition in revolutionary struggle. Under the brilliant leadership of the party Central Committee headed by President Kim Il-song, the WPK has worked hard and made unremitting efforts over the past 40 years in establishing the first state in Korean history in which the laboring people are the master -- the Democratic People's Republic of Korea -- and then in resisting U.S. aggression and winning the historic victory in the national liberation war. Bringing into full play its leadership, organizational, and vanguard role and holding high the banner of the ideological, technological and cultural revolutions in the construction of the fatherland, the WPK has closely rallied the people around itself and scored great achievements in making Korea a prosperous nation. Under the correct leadership of the WPK, Korea today is a vigorous socialist state with developed industry, thriving agriculture, and people living and working in peace and contentment.

The 40 years of the WPK are 40 splendid years.

Under the leadership of President Kim Il-song, the great leader of the Korean people, the WPK has accumulated rich experience in its 40 years of revolutionary struggle. The Chinese people have always regarded the brilliant achievements scored by the WPK and the Korean people as their own, heartily rejoicing at every victory won by the heroic Korean people.

The fifth anniversary of the announcement of the program put forward by President Kim Il-song for establishing a democratic confederal republic of Koryo is also marked on 10 October. Shortly after the DPRK's founding, the WPK submitted a proposal for the peaceful reunification of the fatherland. Since then, the WPK and the DPRK Government have successively put forth principles and programs for the peaceful reunification of the fatherland free from external interference. At the sixth WPK congress held in 1980, President Kim Il-song put forward the program for the establishment of a democratic confederal republic of Koryo, which has given a strong impetus to the cause of national unification. With the initiatives taken by the WPK since the beginning of this year, North and South Korea have held economic talks, talks between the Red Cross Societies, and preliminary talks between national assemblies. The exchanges of art troupes and hometown visiting groups in September have brought about reunions between separated compatriots from North and South Korea for the first time in 40 years. [Beijing RENMIN RIBAO in Chinese on 10 October carries an editorial entitled "Forty Splendid Years -- Congratulate the Workers Party of Korea on its 40th Founding Anniversary" which adds... In the great cause of peaceful reunification of the fatherland free from external interference...] The WPK has worked tirelessly for national reconciliation and unity. The Chinese people resolutely support the Korean people's just struggle for the peaceful reunification of the fatherland, and demand that the United States withdraw its troops from South Korea so that the Korean people can realize the reunification of the fatherland without foreign interference.

The two parties and peoples of China and Korea are comrades and comrades-in-arms who have gone through thick and thin together and are bound by a common cause. Our two parties and peoples have always supported and assisted each other in their protracted revolutionary struggles and socialist construction. The friendly relationship between our two parties and peoples has further expanded in recent years. Practice has proven that Sino-Korean friendship serves not only the prosperity of the two countries but also peace in Asia and the world as a whole. May the friendship between the two parties and peoples of China and Korea last forever.

RENMIN RIBAO CRITICIZES VIETNAM'S 'SLANDER'

HK101401 Beijing RENMIN RIBAO in Chinese 10 Oct 85 p 6

["Jottings" by Tong Chang: "Futile and Despicable Slander"]

[Text] Because of its stubborn insistence on continuing its occupation of Cambodia, the Vietnamese Government has again become the target of condemnation by representatives from many countries at the UN General Assembly. Then, the Vietnamese authorities repeated their previous tricks and viciously attacked China and other countries for staging an "anti-Vietnamese chorus" at the UN General Assembly.

The so-called "anti-Vietnamese chorus" mentioned by the Vietnamese authorities referred to the justifiable condemnation of and opposition to the Vietnamese authorities by many nations' representatives from the position of justice in the general debate at the UN General Assembly.

Since 1978, the Vietnamese authorities have been the target of public criticism at the UN General Assemblies. This situation has never been the result of agitation by any one country. Instead, it has been caused by the Vietnamese authorities themselves, who have brutally trampled on the norms of international law and practiced hegemonism by using armed force to invade and occupy Cambodia. The aggression committed by the Vietnamese authorities has aroused extensive indignation and protest among all peace-loving and justice-upholding countries and peoples in the world, and has inspired their opposition. The "anti-Vietnamese chorus" is aimed at nothing but the hegemonist practice of the Vietnamese authorities and their actions of violating the UN Charter by invading other countries. As long as Vietnam continues its aggression and refuses to withdraw its troops from Cambodia, the world's peoples will never stop condemning and opposing it. Who should really be blamed for this?

Why do the Vietnamese authorities not ask themselves these questions: Why do more than 100 member countries in the United Nations oppose and condemn the Vietnamese authorities with one voice and demand that Vietnam unconditionally withdraw its troops from Cambodia? Why was there no one in the United Nations accusing Vietnam in the past, but now Vietnam has become the target of public criticism? Why did the so-called "anti-Vietnamese chorus" appear? Do the Vietnamese authorities not feel that they should give deep thought to these developments which reflect the people's general feelings? If the Vietnamese authorities try to confuse and divert the world's attention by slandering China, their attempt will just be futile and despicable.

XINHUA ANALYSIS POINTS TO 'POSSIBLE UNREST' IN SRV

OW101916 Beijing XINHUA in English 1858 GMT 10 Oct 85

["News analysis: Vicious Circle in Vietnamese Economy (by Huang You)" -- XINHUA headline]

[Text] Beijing, October 10 (XINHUA) -- Although Vietnam has introduced a major monetary reform, the economic situation in the country remains depressed with high prices and great shortage of daily necessities.

On September 14, Hanoi announced the circulation of a new currency, also called dong, to take the place of the old dong. And the new dong equals 10 old dongs.

Following the announcement, most stores, schools and factories were closed that day.

Armed policemen patrolled the deserted streets. The Vietnamese authorities also ordered the closure of the Hanoi International Airport and suspension of all communication lines to the outside world.

Why all these security measures? And why were the Hanoi authorities so nervous when they introduced a new currency, a practice that is fairly common in other countries? According to experts in Indochinese affairs, such measures were taken to deal with possible unrest among the people who are leading a hard life.

Since its occupation of Kampuchea began seven years ago, Vietnam's industrial and agricultural production has hardly made any progress. Production in some industrial sectors including coal has even dropped drastically. While its deficit has been increasing year after year, Vietnam's inflation rate has increased to 70-80 percent. Since 1983 Vietnam has contracted six billion U.S. dollars of foreign debt. All this has made the people's life very difficult.

Prior to the currency change, Hanoi had replaced subsidized rations for staff workers with cash allowances in hope of appeasing the people and stabilizing domestic markets. But the effort failed. This is the third time Vietnam changed its currency since 1978 in a bid to get rid of its economical stagnation. But it proves to be ineffective, as the living standard of the people keeps going down and the prices continue to go up. The Vietnam State Bank admitted that it is difficult for the administration to withdraw a large amount of currency from circulation. As a result, it has to print more and more money to deal with the situation, setting off a vicious circle.

What is the root cause of the ailing Vietnamese economy? Opinions vary among Vietnamese officials and economic experts. Some put the blame on bureaucracy, others ascribed it to the mismanagement of state-run enterprises and still others imputed the problem to "bad coordination" between various sections of the government. But nobody would like to face the real cause -- the invasion of Kampuchea which has swallowed up more than half of the country's annual budget in the past seven years. Meanwhile aid from and trade with Western countries and other Third World countries have declined dramatically. As is the case in the international political arena, Vietnam has become isolated in international markets as well. So long as Vietnam continues its occupation of Kampuchea, it will see no end to this vicious circle.

HU YAOBANG, OTHERS MEET AUSTRALIAN OFFICIAL

OW091700 Beijing XINHUA in English 1452 GMT 9 Oct 85

[Text] Beijing, October 9 (XINHUA) -- General Secretary Hu Yaobang of the Chinese Communist Party Central Committee met with Nevillie Wran, premier of New South Wales of Australia, and Mrs. Wran here today. Hu Qili, member of the Political Bureau of the Chinese Communist Party Central Committee, was present.

Later, the Wrans were honored at a dinner given by Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee. The Wrans arrived here yesterday on their way to Guangzhou as guests of the Guangdong Provincial Government.

WU EXPECTS BREAKTHROUGH IN BORDER TALKS WITH INDIA

BK070354 Delhi Domestic Service in English 0240 GMT 7 Oct 85

[Text] The Chinese foreign minister, Wu Xueqian, said he expects a breakthrough in the Sino-Indian talks on the border issue. After his talks with the external affairs minister, B.R. Bhagat, at the United Nations, Wu told PTI in an interview that with joint efforts in a spirit of mutual accommodation and understanding, the two sides will be able to reach an agreement acceptable to both the countries. He said the border issue is the only problem existing between the two countries.

PAKISTANI PRESIDENT ZIAUL HAQ ON NUCLEAR PROGRAM

OW102116 Beijing XINHUA in English 1912 GMT 10 Oct 85

[Text] Islamabad, October 19 (XINHUA) -- President Ziaul Haq said today that Pakistan's modest nuclear program is solely for peaceful purposes.

Talking to newsmen at Karachi Airport, Ziaul said Pakistan had a clear-cut and well-defined nuclear policy, that is, to gain self-sufficiency in the energy sector.

He said Pakistan could rightly be proud of the progress it had achieved in scientific development but that progress was only for peaceful purposes.

Asked about the Indian Prime Minister Rajiv Gandhi's recent statement about the alleged development of a nuclear bomb by Pakistan, the president said the information was not correct. It created suspicion and concern against Pakistan in friendly countries, he added.

Ziaul said he expected to meet the Indian prime minister during his forthcoming visit to the United Nations and that good relations between India and Pakistan were in the interest of both countries.

Asked about the situation along the Indo-Pak border, the president said it was normal and there was no cause for concern.

REPORTAGE ON TURKISH DEPUTY PRIME MINISTER'S VISIT

Arrival in Beijing

OW101840 Beijing XINHUA in English 1829 GMT 10 Oct 85

[Text] Beijing, October 10 (XINHUA) -- Turkish Deputy Prime Minister Kaya Erdem, Mrs. Erdem and their party arrived here this evening on a friendly visit to China as guests of Chinese Vice-Premier Tian Jiyun. Tian greeted them at the airport.

Talks With Tian Jiyun

OW111228 Beijing XINHUA in English 1216 GMT 11 Oct 85

[Text] Beijing, October 11 (XINHUA) -- Chinese Vice Premier Tian Jiyun and visiting Turkish Deputy Prime Minister Kaya Erdem expressed satisfaction with the smooth development of bilateral relations during their talks held this morning. The two vice-premiers also exchanged views on expansion of bilateral economic relations and trade.

Erdem said that the trade volume between the two countries is expected to reach 200 million U.S. dollars this year and he hoped a bigger variety of import and export commodities would be exchanged between the two countries.

Tian said that the steady and coordinated growth of China's economy provided favorable conditions for the development of Sino-Turkish economic and trade relations. He expressed confidence that cooperation would surely be further enlarged and the volume of trade increased.

The two sides agreed to exchange trade study groups in the future.

Meets Zhao Ziyang

OW111355 Beijing XINHUA in English 1345 GMT 11 Oct 85

[Text] Beijing, October 11 (XINHUA) -- Sino-Turkish relations have entered a new stage of mutual respect, mutual trust, and friendly cooperation, Chinese Premier Zhao Ziyang said at a meeting with Turkey's Deputy Prime Minister Kaya Erdem and his party here today.

Zhao noted that the two countries had similar historical experience, were both engaged in economic restructuring, and shared identical or similar views on major international issues. China attached great importance to developing political and economic ties with Turkey, he said. There was great potential for bilateral trade. Zhao expressed the belief that, with efforts by both sides, all-round development of relations between the two nations could be expected.

The premier told his guests that China would carry on economic restructuring unswervingly. During the Seventh Five-Year Plan (1986-1990) China would promote its construction with economic restructuring. The two countries' economic reforms would open up broad prospects for bilateral cooperation, he said. Zhao spoke highly of Turkey's achievements in its economic reform, adding that China and Turkey could share their experience in this regard.

Erdem said he was glad that China's new economic policies proved successful. He also expressed appreciation of China's efforts to safeguard world peace. At the meeting, Erdem conveyed Turkish Prime Minister Turgut Ozal's best regards to Zhao.

FURTHER REPORTAGE ON VISIT OF ROMANIAN PRESIDENT

Mrs Ceausescu Meets Scientists

OW091355 Beijing XINHUA in English 1259 GMT 9 Oct 85

[Text] Beijing, October 9 (XINHUA) -- Romanian academician Elena Ceausescu, first deputy prime minister and chairman of the National Council for Science and Technology, met twelve leading Chinese scientists here this morning.

Among the scientists were Lu Jiaxi, president of the Chinese Academy of Sciences, and professors and scholars from the Chinese Academy of Sciences, Qinghua University, and Beijing University.

Mrs. Ceausescu said that both Romania and China will begin to implement a new five-year plan next year and that scientific and technological work is a very important part of the new plans. She hopes that Chinese and Romanian scientists and technicians will have more exchanges and do more cooperative work.

Lu Jiaxi said that bilateral cooperation in the fields of science and technology had been going well, and that Chinese scientists were willing to strengthen the exchanges with their Romanian colleagues.

Tour With Hu Yaobang

OW101542 Beijing XINHUA in English 1516 GMT 10 Oct 85

[Text] Wuhan, October 10 (XINHUA) -- Nicolae Ceausescu, general secretary of the Romanian Communist Party and president of Romania, and his wife were given a warm welcome here this afternoon when they visited the Wuhan iron and steel complex, one of the largest in China.

The Romanian guests toured the complex's hot and cold rolling plants in the company of Hu Yaobang, general secretary of the Chinese Communist Party Central Committee.

When Ceausescu visited the workshops, the workers clapped their hands and shouted slogans to welcome him to the strains of a tune played by the works band. The complex, which turned out (73) million tons of steel last year, was the first major iron and steel enterprise constructed after the People's Republic of China was founded in 1949. The 120,000 workers at the complex are now making efforts to produce four million tons of steel this year.

After his visit, Ceausescu and his wife wished the plant greater success in an inscription he wrote in the visitors book. He also invited the plant leaders to visit iron and steel companies in Romania.

The Romanian visitors were guests at a banquet given by the Hubei Provincial Committee of the Chinese Communist Party and the provincial People's Government here this evening. Hu Yaobang was present.

Ceausescu on End to Arms Race

OW101556 Beijing XINHUA in English 1529 GMT 10 Oct 85

[Text] Wuhan, October 10 (XINHUA) -- Visiting Romanian Communist Party General Secretary Nicolae Ceausescu called for effective efforts to stop the arms race, particularly the nuclear arms race, in order to avoid a new world war, here today.

Ceausescu, who is also president of Romania, made the remark at a mass rally in his honor, at which he explained Romania's views on major international issues and its foreign policy. The world situation has deteriorated as a result of the arms race, which endangers the independence and freedom of the people of the world, and even the existence of the earth, he said. He stressed that the Soviet Union and the United States should try their best at the Geneva talks to show a due sense of responsibility for the lives and peace of the world's people. He urged the two superpowers to end the arms race, stop manufacturing and testing nuclear weapons, and halt the extension of the nuclear arms race to outer space. He also strongly called for the destruction of all existing nuclear weapons. He said both sides should innovative steps for disarmament. He welcomed the recent proposals put forward by the Soviet Union and its leader, Mikhail Gorbachev.

Ceausescu expressed his concern over the situation in Europe where a large number of missiles are deployed and stored. He called on the European people, especially the countries of the North Atlantic Treaty Organization and the Warsaw Pact, to take more active steps for peace and disarmament. He said, Romania is deeply concerned about the serious world economic situation and the expansion of the gap between poor and rich countries. He held that it is necessary to conduct practical talks within the United Nations on the issue of establishing a new international economic order.

Ceausescu expressed his conviction that war can be avoided even in the present serious international situation. So long as people of all countries are united, they will have the strength to stop war, change the process of confrontation and follow a new policy of peace and cooperation. He noted that Romania, together with China and other progressive and anti-imperialist forces, is determined to continue making contributions to the cause of peace, detente, international cooperation and mutual understanding.

CHEN MUHUA MEETS DELEGATION FROM YUGOSLAVIA

OW101935 Beijing XINHUA in English 1546 GMT 10 Oct 85

[Text] Beijing, October 10 (XINHUA) -- Chinese State Councillor Chen Muhua met a delegation from the Socialist Republic of Serbia of Yugoslavia headed by Risto Jovanovik, member of the Presidency of Serbia, here this afternoon.

PRC, POLAND INITIAL AIR TRANSPORTATION PROTOCOL

OW100043 Beijing XINHUA in English 0034 GMT 10 Oct 85

[Text] Warsaw, October 9 (XINHUA) -- Regular air traffic between Poland and China will be opened next year. An agreement to this effect was reached today in the talks between civil aviation delegations of the two countries. A protocol on Sino-Polish civil aviation transportation was also initialed at the meeting.

SONG PING ATTENDS GDR AMBASSADOR'S RECEPTION

OW070826 Beijing XINHUA in English 0724 GMT 7 Oct 85

[Text] Beijing, October 7 (XINHUA) -- Rolf Berthold, ambassador of the German Democratic Republic and his wife held a reception here today in celebration of the 36th anniversary of the founding of the Republic. Chinese State Councillor and Minister in Charge of the State Planning Commission Song Ping was present.

LI PENG ON CAPITAL CONSTRUCTION VS. PRC REALITIES

HK100911 Beijing ZHONGGUO XINWEN SHE in Chinese 0815 GMT 9 Oct 85

[Report: "Li Peng Says Capital Construction Must Not Be Divorced From China's Realities"]

[Text] Beijing, 9 Oct (ZHONGGUO XINWEN SHE) -- At today's national work conference on transportation, Vice Premier Li Peng said that during the period of the Seventh 5-Year Plan, the construction of infrastructural facilities for land, sea, and air transport will be developed substantially. However, capital construction must be conducted in light of the national capacity and must not be divorced from China's realities. We should advance the modernization process step by step.

He pointed out: At present, the standards and costs in the building of railways, highways, and harbors are too high and are not in line with China's actual conditions. For example, the building of an expressway at a cost of some 10 million yuan per kilometer is beyond China's present financial capacity. If China is to build any expressways, the standards must be lower. Excessively high standards are not in line with China's actual conditions. He warned leaders in various transportation departments at the meeting that when capital construction projects are being handled, the costs must be lowered and the construction periods must be shortened so as to achieve higher economic efficiency.

Li Peng said: Part of the transport tasks during the Seventh 5-Year Plan will be fulfilled through increasing new transport facilities, but most of the transport tasks will be shouldered by the existing facilities, so the potential of the existing facilities must be fully exploited through technological transformation, structural reforms, and scientific management. The railway department should continue the measures of using compound and heavy-duty trains and increasing the classification of passenger trains. The highway department should improve the conditions of existing roads by laying asphalt. Harbor administrations should take measures to increase efficiency in loading and unloading operations and to facilitate the circulation of goods. The post and telecommunications department should go all out to develop modern technologies, such as communications satellite technology, fiber optics technology, and digital controlled telephone exchange technology.

Li Peng stressed that the transportation departments should service passengers as well as industrial and agricultural production. He said: In the field of transportation, there is still a seller's market. People have to seek the favor of the transportation departments, because it is difficult to buy tickets and to acquire transportation facilities. Under these circumstances, some units in the transportation departments do not do business in a proper and fair way but are keen on some corrupt practices. This goes against the principles of socialism and our party's principles. The transport departments should strengthen the building of spiritual civilization and establish a fine style of work.

ZHAO WEICHEN VIEWS CURRENT ECONOMIC SITUATION

HK110749 Beijing ZHONGGUO XINWEN SHE in Chinese 0823 GMT 10 Oct 85

[Report: "China's National Economy Shows Signs of a Benign Cycle" -- ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 10 Oct (ZHONGGUO XINWEN SHE) -- What is China's present economic situation?

Today, at an "economic analysis conference," Vice Chairman Zhao Weichen of the State Economic Commission said: China has basically fulfilled the task of effecting a fundamental turn for the better in its economic situation, the pace of its industrial development is slowing down, and its national economy shows signs of a benign cycle. The situation is really excellent.

Zhao Weichen said: Between January and August this year, there was a "simultaneous increase" in the taxes collected by China and in its revenues and output value. Its revenues totaled 117.2 billion yuan, an increase of 26.6 billion yuan over the same period of last year. This excellent situation indicates that China has basically fulfilled the task of effecting a fundamental turn for the better in its financial situation. In provinces, cities, and autonomous regions, there has also been a simultaneous increase in output value and in the taxes collected by them. He continued: In the first half of this year industry grew at a rather high speed. In July, August, and September, its growth rate began to drop gradually. Now, it has dropped from 23.1 percent in the first half of this year to 21.1 percent. This shows that the series of macroeconomic management measures adopted by the state have been fruitful.

He said: From January to September this year, energy production steadily went up with coal output at more than 600 million tons, an increase of 11.5 percent over the same period last year, the total amount of electricity generated at more than 300 billion kwh, an increase of 8.7 percent, and with crude output increasing by 10 percent. All this has been unprecedented in recent years. In addition, sea, land, and air transportation, posts, and telecommunications also grew rather significantly.

He said: The market for light industrial products was brisk. That was quite rare in the past 30 years. Household electrical appliances, gold and silver adornments, refreshing beverages, delicacies, and steel and wood furniture were all very marketable. From January to August this year, the volume of the retail sales of social commodities totaled 252.2 billion yuan, a 26.8 percent increase over the same period last year, and the volume of retail sales of consumer goods went up by 30.6 percent. Such a growth rate is exceptional.

Commenting on the present problems with industrial production and communications, Zhao Weichen said: The high growth rate of industrial production has resulted in transportation difficulties and strained the supply of raw and processed materials. In addition, production safety is unsatisfactory and the number of such serious accidents as the capsizing of ships, car accidents, fires, and coal mine accidents in the towns and townships has increased.

At the conference, Lu Dong, chairman of the State Economic Commission, stressed the need to raise the quality of products and to prevent the occurrence of serious accidents. He also solemnly criticized some departments and factories for the poor quality of their products and for the large number of casualties.

RENMIN RIBAO EDITORIAL ON COMMENDATION MEETING

HK100349 Beijing RENMIN RIBAO in Chinese 7 Oct 85 p 1

[Editorial: "Make New Contributions Toward the Great Cause of the Unification of the Motherland -- Congratulating the Successful Conclusion of the Meeting To Commend the Advanced in Democratic Parties and the All-China Federation of Industry and Commerce Who Have Worked for the Four Modernizations"]

[Text] The meeting to commend the advanced collectives and individuals of the democratic parties and the All-China Federation of Industry and Commerce who have worked for the four modernizations has successfully concluded.

We express our deep respect and extend our cordial regards to all the delegates attending the current meeting, and the comrades and friends of all democratic parties and the All-China Federation of Industry and Commerce, who are working diligently for our socialist motherland.

It was the first time since the founding of the PRC that a meeting was held to commend the advanced who have jointly worked for the four modernizations: The Revolutionary Committee for Chinese Kuomintang, China Democratic League, China Democratic National Construction Association, China Association for Promoting Democracy, Chinese Peasants' and Workers' Democratic Party, China Zhi Gong Dang, Jiu San Society, Taiwan Democratic Self-Government League, and All-China Federation of Industry and Commerce. Under the guidance of the line of the 3d Plenary Session of the 11th CPC Central Committee, various democratic parties and the All-China Federation of Industry and Commerce have shifted their focus of work on the service to socialist modernization. They have brought into full play their initiative, creativity, and advantages in knowledge and talented people, exerted themselves in their devotion to socialist modernization, and scored plausible achievements. As a result, a large number of advanced individuals and collectives have emerged to play an exemplary role. The current commendation meeting was held on such a basis.

While applauding the members for doing a good job in their posts over the past 7 years, various democratic parties and the All-China Federation of Industry and Commerce have brought into full play the role of their organizations and have initiated a series of new methods and gained experiences in serving society and the four modernizations. For example, running schools, giving lectures, conducting specialized or academic courses on various subjects at different levels, supporting the border areas, and the activities of medium and small cities, towns, and townships with intelligent resources; rendering consultative services on economics, science and technology, making proposals for the economic development of their own localities and departments; and taking an active part in helping the governments and departments concerned in the import of capital, technology, and talented people in support of the four modernizations. The new efforts and accomplishments of all democratic parties and the All-China Federation of Industry and Commerce in serving the four modernizations have further brought into play the enthusiasm of their members in serving the four modernizations, and opened up new channels to demonstrate their wisdom and talents. They have played a leading role in the spread of intelligence and knowledge and, in giving free rein to the potential of the intellectuals, have won the universal acclaim of all social circles.

In order to carry out socialist modernization, it is imperative to consolidate and strengthen the patriotic united front on the widest scope, unite to a maximum degree all forces that can be united; and to bring into play all positive factors, so as to strengthen and develop the great unity of the Chinese nation. The various Chinese democratic parties and the All-China Federation of Industry and Commerce have carried out long-term cooperation with the CPC. They have fought shoulder to shoulder and stood together through thick and thin. They all have a glorious history and are important component parts of the Chinese patriotic united front. All democratic parties and the All-China Federation of Industry and Commerce have proved, with their own new progress and new efforts, that building a modernized socialist country is the common wish of the CPC and the various democratic parties. The various democratic parties and the All-China Federation of Industry and Commerce are close comrades-in-arms of the CPC in their full objective of working for the socialist cause and are a reliable force in the service of socialism. The Chinese patriotic united front grows all the more consolidated and stronger with each passing day.

During the new historical period, the basic task of the united front is to unify the motherland and to invigorate the Chinese nation.

The CPC will earnestly implement the policy of "long-term coexistence and mutual supervision" between the Communist Party and the democratic parties, "showing utter devotion to each other, sharing honor and disgrace," uniting and bringing into play the role of the democratic parties in the common struggle to realize the general tasks of the new historical period. The whole party must resolutely overcome the leftist erroneous effects still existing in its work with the democratic parties and the whole united front. The party must have a full understanding of, and attach importance to, the work with democratic parties from the viewpoint of strategic requirements in realizing the general tasks of the new historical period, we must fully trust the comrades of the democratic parties in politics and in their work, so that they may really know the situation and exert their efforts and bring into play their wisdom and intelligence in the four modernizations.

At present, both the political and economic situations in China are fine. The National Conference of Party Delegates, and the 4th and 5th Plenary Sessions of the 12th CPC Central Committee, which are of great significance, have discussed and adopted the "Central Committee's proposal on drawing up the Seventh 5-Year Plan for national economic and social development" and partially readjusted the leading organs of the Central Committee. At present, the people of all nationalities throughout the nation and comrades in all fields are earnestly studying the documents of these meetings and the spirit of the speeches of the leading comrades of the Central Committee; they are strengthening the building of a socialist spiritual civilization and the theoretical study of Marxism and they are united in their struggle for a magnificent cause. The comrades and friends of all democratic parties and the All-China Federation of Industry and Commerce are highly educated, talented, and rich in patriotism; they are devoted to their work and have a sense of being masters of the country. Many of them are famous specialists, scholars, and management experts. They will have much scope to exercise their abilities in the structural reforms and socialist modernization. The democratic parties and the All-China Federation of Industry and Commerce will have much to accomplish in their work, and they have bright prospects. Let us unite closely and make new contributions together with the people of the whole country, to push forward the socialist material civilization and the socialist spiritual civilization of the motherland and the cause of the unification of the motherland.

RENMIN RIBAO URGES STUDY OF CONFERENCE DOCUMENTS

HK100831 Beijing RENMIN RIBAO in Chinese 6 Oct 85 p 1

[Commentator's article: "Properly Study the Documents To Improve Style"]

[Text] The National Conference of Party Delegates has successfully concluded, and the documents of the conference have been successively published. At present, the most important task for party organizations at all levels in their ideological and political work is to earnestly study these documents and to mobilize all party members and the general public to implement the decisions and spirit of the conference.

The National Conference of Party Delegates and the 4th and 5th Plenary Sessions of the 12th CPC Central Committee adopted the proposal for the formulation of the Seventh 5-Year Plan, partly readjusted central leading organs, and elected new members into these organs, thus smoothly solving the two major issues that have a great bearing on the future of our party and state. The decisions made by the party conference have laid a solid foundation for our country's continuing economic development and lasting political stability in the future and have provided a reliable guarantee for the continuity of the party's line, principles, and policies and the stability of the party's collective leadership.

At the conference, Comrade Hu Yaobang's opening speech, Comrade Zhao Ziyang's explanation of the proposal for the Seventh 5-Year Plan, Comrade Deng Xiaoping's speech, Comrade Chen Yun's speech, and Comrade Li Xiannian's concluding speech presented a comprehensive and profound enunciation of a series of principled issues that the party is now facing. These speeches and the proposal for the Seventh 5-Year Plan are all important documents that chart a course for the whole party in further advancing the reforms, promoting economic construction, building spiritual civilization, and improving our party style. To implement the decisions and spirit of the conference, we must first earnestly study and understand these documents.

The conference documents are rich in their content. We should focus our study on some key questions. For example, how to correctly assess the present situation and persevere in reform; what are the guidelines, struggle objectives, reform steps, policies, and measures specified in the proposal for the Seventh 5-Year Plan; how to promote the building of socialist spiritual civilization and to strive for a fundamental turn for the better in the party style of public conduct; how to promote cooperation between new and old cadres and ensure smooth succession of new cadres to old cadres and to promote the forming of succession echelons in leading bodies; how to strengthen the study of Marxist theory; and how to bring about a situation of unity in our struggle for the grand objective are all major questions that we should properly solve in our study. Party committees at various levels should arrange this study and divide it into a number of stages. In the first stage, they should concentrate on achieving a correct understanding of the situation and the policies. Through the study of the documents, they should be able to distinguish the main stream of the situation from various nonessential phenomena, and should more deeply realize the correctness of the party's line, principles, and policies so as to persevere in advancing the economic structural reforms and reforms in other fields and in carrying out the policy of opening up to the outside world and enlivening domestic economic activities. By proceeding from this point, it will be easier for them to study other questions well.

To achieve good results in the study, we must have a good style of study, and the good style of study is to link theory with practice as the party advocated during the party rectification in Yanan. Our study must not follow a formalist style; instead, our study should actually lead to the settlement of some problems in our work and in our minds. That is, our study must be closely linked to our real thoughts and our actual work, and must be linked to the present economic and political situation and to correct party affairs. In the course of studying the documents, we should discuss various issues concerning the implementation of the policies for opening and reform and concerning the building of spiritual civilization and the improvement of the party style. Previously, our study tended to become a mere formality. Some comrades merely skimmed through the study materials and did not consider how to put the spirit of the documents into practice. In discussions, they merely talked in generalities, rather than linking the spirit of the documents with their own thoughts and their own work. Study in this manner would just waste time and achieve no results. This showed the incorrect style of study among some comrades. We should prevent such things at this time. An important purpose of the current study is to bring all people's minds into line with the decision and spirit of the National Conference of Party Delegates. We should encourage people to air their opinions and to say what they really think and should not dodge contradictions. All comrades should be encouraged to exchange their views so as to help each other. The successful experience gained in the first stage of party rectification is useful in the current study.

Party committees at all levels should strengthen their leadership over the current study. Leading cadres not only should personally organize the study among the masses in their units, but should particularly prompt other members of the leading bodies to take the lead in the study.

We have a fine tradition. That is, when some major policies are to be publicized, leading cadres often go among the people and personally give lectures in schools, factories, and villages. This tradition should be carried forward. Leading cadres should be willing to and should dare to go to face the public and to give lectures, hold discussion meetings and talks, answer people's questions, and explain things to the people. By doing so, we will not only help the people deepen their understanding of the present situation, tasks, and the party's principles and policies but will also build closer relations between leaders and the masses and overcome bureaucratism. The National Conference of Party Delegates called on the whole party to strengthen ideological and political work and to take effective measures to improve the party style. The current study will be the first step for strengthening our ideological and political work and for improving the style of our party and our party cadres.

CPPCC MAKES PLANS FOR SUN YAT-SEN ANNIVERSARY

OW080917 Beijing XINHUA in English 0757 GMT 8 Oct 85

[Text] Beijing, October 8 (XINHUA) -- A decision was passed by the National Committee of the Chinese People's Political Consultative Conference (CPPCC) to name a committee to oversee preparations for celebrating the 120th birthday of Dr. Sun Yat-sen on November 12, 1986. The celebrations were suggested by CPPCC National Committee Chairwoman Deng Yingchao. She proposed that a preparatory committee made up of leaders from the party, government, democratic parties and mass organizations be set up to make plans for commemorative meetings in Beijing, Nanjing, Shanghai, Wuhan, and Guangdong Province.

The celebrations will inspire patriotism, educate the people about the united front, promote the country's modernization drive and accelerate the reunification of the motherland, according to the CPPCC decision.

Dr. Sun Yat-sen was a great forerunner of the Chinese democratic revolution as well as a great patriot and democrat.

Deng Yingchao also suggested that the complete works of Sun Yat-sen and selected works of Soong Ching-ling, his wife and the late honorary president of the People's Republic of China, be published. Exhibitions on Dr. Sun's life will be mounted, academic seminars held, commemorative stamps issued and documentary films made. Specific plans for the celebrations will be discussed at the next meeting of the CPPCC National Committee, Chairwoman Deng stated.

RENMIN RIBAO COMMENTARY ON PERSONNEL MANAGEMENT

HK101429 Beijing RENMIN RIBAO in Chinese 25 Sep 85 p 4

["Special Commentary" by Liu Junlin: "Strive To Establish a Legal System for Personnel Management"]

[Text] In the situation in which the reform of the economic, science and technology, and education systems is being carried out in an overall and thorough way, there is an urgent need to quicken the pace of cadre system reform. The reformed cadre system will provide an organizational guarantee for the smooth progress of reform in other fields. Therefore, it is necessary to conduct a systematic reform in the various important links of cadre management in the spirit of blazing new trails in reform and of clearing the way to forge ahead and by using the method of systems engineering, to codify the various reformed systems, and to ensure the cadre system will be systematized and institutionalized and be put on a scientific basis.

China's cadre system has gradually been formed and developed on the basis of the cadre work during the revolutionary war years. Since the founding of the CPC, the party has formulated a series of policies on cadres and since the founding of the PRC, the party and the government have worked out several rules or regulations concerning the various fields of cadre management. All these have invariably become the standards of cadre management work and played a great role in promoting the building of the ranks of cadres and cadre work, thus resulting in successes never seen before: A contingent of cadres who are considerably great in numbers, relatively complete in types, and highly combat-worthy has been formed. And, moreover, large groups of key leaders capable of running the party, the state, and the Army have been created. They have made great contributions to China's revolution and construction.

However, it must be noticed that with the development of the socialist cause and the shift of the focus of the work of the whole party, the present cadre system, whose drawbacks are daily revealing themselves, has failed to meet the needs of the modernization program. These drawbacks have reflected a defect of fundamental importance, namely, that there is a lack of a legal system in cadre management or personnel management, and either there are no laws to go by or there are laws but no one observes them.

In this connection, two facts must be acknowledged: One fact is that many of the previous regulations were confined to special fields and were largely on the nature of "provisional regulations" and that people failed to make a complete set of systematic stipulations on the various links of cadre management. Moreover, the regulations were formulated in the light of the conditions and needs at that time, and therefore had many limitations and considerable arbitrariness. With the changes in the situation and the passage of time, many contents of the regulations have failed to meet the needs of the present situation. These out-dated regulations must be replaced with new ones in good time. The other fact is that although the rules and regulations once played the role as laws and regulations, they were, after all, not laws. This, plus people's weak sense of the legal system, has made it difficult for these rules or regulations to have a legal effect.

In day-to-day work, since people violating rules or ignoring regulations is a common sight and has become a habit through constant practice, there is no way of affixing the legal responsibility to anyone for his violations of rules and regulations. In cadre work, cadres are frequently urged to observe discipline and abide by the law but there are, in effect, no laws to go by. This indicates that if rules are not put on the course of the law, they will not have a legal binding force rather than showing that they are not important. The cadre policy is the fundamental basis for cadre work. However, if the cadre policy is not embodied in laws and regulations, it will lack legal effect. It can thus be seen that neither the replacement of the law by rules nor that of the law by policies will do. Efforts should be made to move cadre work further onto the track of the legal system.

All countries in the world attach particular importance to establishing a legal system for personnel management and putting this in a considerably important position. Relatively developed capitalist countries and many developing countries have promulgated in turn their own government functionary law or public employee law and viewed it as a major law second only to the state constitution. Moreover, they set up authoritative personnel management organs and procuratorial organs responsible for the enactment of laws and regulations on personnel matters, the supervision of their implementation, and the inspection and handling of cases of violations of the laws and regulations.

Over the last 30 years or more since the founding of the PRC, legislation on personnel matters has not been truly and completely enacted due to historical reasons. This is a fundamental error in personnel management work. Since the 3d Plenary Session of the 11th CPC Central Committee, under the correct guidance of the CPC Central Committee, the historical task of setting the party's guiding ideology to rights has been accomplished and the "leftist" influence is being constantly eradicated; the focus of the work of the whole party has been shifted to the socialist modernization program, and work in all fields has been put on the course of serving the four modernizations program; reform in various fields, including the cadre and personnel systems, has been progressing steadily and healthily, thus gaining a lot of good experience; the socialist system has been continuously improved and is being strengthened day by day; the principle of "four transformations" of cadres and the several decisions of the CPC Central Committee on reforming the cadre system have increasingly enjoyed popular support and produced marked results; and the call of the vast numbers of cadres and the masses for strengthening personnel legislation work is getting louder and louder. They earnestly hope that all state personnel will be kept within the bounds of the law -- this powerful weapon. All these have laid a solid foundation for and created favorable conditions for personnel legislation work. Enacting laws and regulations on personnel matters is not only imperative but the time for doing so is already basically ripe. We have every condition and possibility for making the work a success.

Enacting a set of laws and regulations on personnel matters is a major step in putting personnel management on a scientific basis. Without a compass, we cannot draw a circle and without laws, we will have no standards to go by. If there are laws to go by and if they are enforced strictly and fairly, there will be no opening for the law-breakers to exploit. With laws and regulations on personnel matters, people will have unified laws to go by in personnel management and all people, no matter who they are, must act according to law. This will greatly reduce and even eliminate the practices of acting according to one's will and of individuals having the final say in personnel matters, significantly reduce various contradictions resulting from man-made factors, and proceed to save much time wasted in handling the contradictions.

With laws and regulation on personnel matters, related cadre policies can easily be set in the form of laws so that they will have legal effect; the practice of policies being implemented changeably and at will can be avoided; and the practice of deciding personnel matters by relying on provisional motions or personal likes or dislikes can be ended. With laws and regulations on personnel matters, the various drawbacks in the personnel management system can promptly be eliminated and a personnel management system full of vitality can be established. With laws and regulations on personnel matters, the successful experiences gained in reforming the cadre and personnel systems over the last few years can be affirmed in the form of laws and turned into standards of action to be followed by the whole people throughout the nation.

Of course, we do not believe that laws are omnipotent and that with laws and regulations on personnel matters, all problems can be readily solved. With laws and regulations, it will be more convenient for us to use the law as a powerful weapon in urging our cadres to be law-abiding, honest, and upright in performing their duties, to combat unhealthy tendencies and unlawful practices, to build close ties with the masses, and to enhance the party's prestige. It is good to have laws and regulations on personnel matters, although they may not be completely perfect in every aspect for the time being. In the final analysis, this is a step further in building the legal system and will be helpful and not harmful to strengthening the building of China's legal system.

At present, whether from objective needs or from subjective conditions, apparently we must first enact a basic law governing cadre management and then work out specific rules or regulations for its implementation so that it becomes a complete set of laws governing cadre management. In accordance with the related stipulations of China's Constitution and in light of the nature of our state power and the relationship between cadres and the masses, this basic law can wisely be called "the state personnel law." This will be more suitable to China's actual conditions and more easily acceptable to people.

The fundamental guiding ideology for enacting the "state personnel law" must be to carry forward the good traditions, to abolish malpractices of the past, and to be closely subordinate to or serve the socialist modernizations and be conducive to the four modernizations program and comprehensive reform, and they should be put on a legal basis so that our cadre and personnel work can promote and ensure the progress of the four modernizations program and reform in all fields and the superstructure can better suit and promote the development of the socialist productive forces in China. Therefore, in enacting the basic law, the following problems must be handled properly:

First, it is necessary to proceed from realities in China, to conscientiously sum up the historical experience of our party and state, both positive and negative, and to particularly sum up the relatively successful experience in reforming the cadre and personnel systems since the 3d Plenary Session of the 11th CPC Central Committee. At the same time, it is also necessary to correctly use as reference the useful experience of foreign personnel legislation, analytically absorb what is useful to us, and not to indiscriminately and mechanically copy and apply it everywhere so that the basic law will have Chinese characteristics.

Second, we must be bold in promoting what is beneficial and abolish what is harmful and be firm in conducting reforms. The previous and present regulations that are still applicable should be carried forward and those that are already not applicable or not perfect should be amended and improved. The problems existing in the current cadre and personnel systems should be solved in an overall manner and by enacting legislation in the spirit of comprehensive reform and we must not adopt a "patching up" method or the method of treating the head when the head aches and treating the foot when the foot hurts in this respect. In carrying out reform in the cadre and personnel systems, we must be strategy-minded, adopt an overall point of view, combine the solution of present problems with the long-term interests, show great foresight, take into account both past experience and the situation that may possibly arise in the future, and ensure that the basic law will bear the characteristics of the times and be relatively stable.

Third, efforts should be made to uphold the four basic principles, to fully display the superiority of the socialist system, to appropriately delegate more power in cadre management to lower levels and to do cadre work well and flexibly and in line with the socialist orientation and the requirements of such reforms as the economic structural reform and in accordance with the principles separating party from government functions and government from enterprise functions.

Fourth, as far as the management of state personnel is concerned, those who ought to be dealt with severely should be dealt with severely and those who ought to be treated leniently should be treated leniently. Efforts should be made to ensure that there must be a proper limit in severity and leniency; that rewards and punishments must be based on sound grounds; and that problems should be handled in accordance with the law and not with overleniency and personal considerations.

At the same time, state personnel should be given necessary authority so that they can fulfill their duties with authority commensurate with their posts and also be given strict and fair rewards and punishments. All related regulations should be conducive to the growth, discovery, selection, and rational use of talented people and help boost working personnel's devotion to their work and their sense of responsibility.

Enacting the state personnel law is a creative job in which there are both difficulties and favorable conditions. In terms of the situation in reform and conditions in various fields, we are in a position to enact a personnel law that tallies relatively with the realities in China and accords with the needs of the new period. If we have such a personnel law, this will mean we have already made an important step in putting our personnel management on a legal basis and also means pushing personnel management to a new historical stage.

LI XIANNIAN OPENS EXHIBITION ON INVENTIONS

OW091141 Beijing XINHUA in English 1051 GMT 9 Oct 85

[Excerpts] Beijing, October 9 (XINHUA) -- President Li Xiannian today cut the ribbon to open China's first national exhibition of inventions. Accompanying Li Xiannian on the visit were Yan Jici, National People's Congress Standing Committee vice-chairman, and Song Jian, minister of the State Science and Technology Commission.

The 10-day exhibition here, sponsored by the preparatory office of the Chinese Association of Inventions, is displaying 348 inventions and scientific findings, including 86 national invention awards winners and 132 with patent applications pending. Many of the exhibits are now being widely used in science and industry.

Since China's patent law came into effect in April, the Chinese Patent Bureau has received nearly 10,000 applications. The State Science and Technology Commission has so far forwarded applications for foreign patents on 33 items of technology, and approved 59 items for export. Invention association official Wu Heng said at today's ceremony that China would hold such an exhibition every year. Manfred Kulesa, resident representative of the United Nations Development Program in China, attended the opening ceremony.

LI PENG URGES DEVELOPMENT OF SATELLITE-RELAYED TV

OW080905 Beijing XINHUA Domestic Service in Chinese 1324 GMT 7 Oct 85

[By reporter Li Anding]

[Text] Beijing, 7 Oct (XINHUA) -- Li Peng, vice premier of the State Council, pointed out today that the successful testing of the nation's 53 ground stations in receiving satellite-relayed television broadcasts is an achievement of cooperation among many departments. He said that satellite-relayed television broadcasts should be developed vigorously, and that efforts should be made to ensure that significant progress is made in the nation's radio and television broadcasts this year and the next.

The State Council decided earlier this year that the government would lease an international satellite for television broadcast before a Chinese-made telecommunications satellite can be put into practical use.

Speaking at a national conference to examine the quality of ground station reception of satellite-relayed television broadcasts, Li Peng said: The use of satellites to relay television broadcasts will expand coverage and improve reception quality, increasing the role of television broadcasts in building the two civilizations. This means that the central authorities are correct in deciding to lease a satellite as a provisional measure. Meanwhile, the fact that most ground station parts have been built by the defense industry by using domestic products shows that there is a market and an avenue for goods produced by the defense industry for civilian departments.

Li Peng urged manufacturers to improve the quality of their products, lower costs, and improve service while building more ground stations. He said: Meanwhile, consumers should purchase ground stations with collective funds. In that way, the use of ground stations will be quickly popularized throughout the country.

LI PENG ADDRESSES NATIONAL COMMUNICATIONS MEETING

OWO91313 Beijing XINHUA in English 1145 GMT 9 Oct 85

[Text] Beijing, October 9 (XINHUA) -- China must make great efforts to expand and improve its transport and telecommunications networks over the next five years, Vice-Premier Li Peng said here today. Addressing the current national meeting on communications, he said roads, railways, rivers and civil aviation must be made more efficient. And their growth must be co-ordinated instead of leaving them to drift their own ways. China now has 52,000 kilometers of railways, 926,000 of roads, 109,000 of inland river routes, 258,000 of air routes and 11,000 of pipelines -- all vital arteries for the developing economy.

Li stressed China should attach greater importance to the development of roads, river transport and civil aviation, while continuing to speed up construction of railways across its vast landmass. He urged transport departments to expand handling capacity by revamping existing equipment and improving management as well as by building new facilities. China should also make full use of water transport -- the coastline and the Yangtze, Zhujiang, Huaihe and other rivers.

Li proposed six priorities in communications development: the speedy completion of two new railway lines to carry fuel from Shanxi, China's largest coal-producing province, and other 17 ones, now under construction; the building of more berths, and introduction of modern technology and loading equipment at ports; construction of new roads and widening and asphaltting of existing ones; purchase of more planes and construction of more airports to increase transport capacity; and the introduction of satellite technology in developing long-distance telecommunications, addition of more program-controlled telephone exchanges in cities and expansion of optical-fiber technology.

The vice-premier said that with the exception of rail and telecommunications departments, other departments should separate business from their government functions, strengthen management and help industries to expand production. The government had decided to hand administrative powers over Shanghai and Dalian harbors to the local authorities next year, as part of moves to improve management and extend enterprises' decision-making powers.

FANG YI ADDRESSES METALLURGICAL SCIENCE MEETING

HK100403 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 9 Oct 85

[Excerpts] A national conference on scientific and technological work in the nonferrous metallurgical industry and the 1985 conference on science and technology for the comprehensive use of the resources of Jinchuan concluded in Jinchang City on 9 October. Fang Yi, member of the Political Bureau of the CPC Central Committee and State Councillor, attended the meeting on 9 October and made an important speech. Also present were provincial CPC Committee Secretary Li Ziqi, Governor Chen Guangyi, and responsible comrades concerned of the provincial government and the state science and technology, economics, and planning commissions, and the General Nonferrous Metallurgical Company of China.

Comrade Fang Yi said in his speech: In its suggestions on the Seventh 5-Year Plan, the CPC Central Committee has proposed that it is necessary to continue to give first place to reform. This is an important guiding principle. The reforms carried out on the agricultural front in recent years have produced unprecedented prosperity in rural China. A good momentum has also emerged in the reforms carried out in the urban areas over the past half year and more. Reform has become a tide and an irresistible trend in China. The development of the country's nonferrous metallurgical industry in the past 2 years has proven that the further development and rejuvenation of this industry depends on continued reform.

Comrade Fang Yi said: Speeding up the pace of reform of the structure of science and technology and relying on the progress of science and technology in order to achieve relatively rapid growth of the country's economic strength and to enable the state and all sectors to devote greater effort in supporting the development of science and technology ought to be a major strategy of ours for dealing with the new technological revolution. While devoting our main efforts to solving difficult problems that must be resolved in current production and construction, we must also grasp those topics with long-term implications, are directional and pioneering in nature, and produce major economic and social results. We must pay attention to making in-depth arrangements for scientific research work and keep a reserve. We should look into ways of encouraging science and technology personnel engaged in key state projects and major research projects, and enable them to enjoy appropriate reputation. We must reiterate the policy of giving great rewards to those who have made major contributions in science and technology. Such a practice is not an unhealthy trend but embodies the interests of our state and nation.

Comrade Fang Yi said: We must strengthen scientific management and continue to get a good grasp of the technological transformation of the enterprises. Scientific and technological progress and enterprise management are the two factors promoting the advance of the enterprises. Making a success of enterprise management requires outstanding management personnel. In selecting and promoting cadres, we must examine their political quality and work ability. We must certainly not promote to leadership posts people who oppose the central line and principles and who abuse their powers.

We must continue to reduce the average age of the cadres and ensure that the leadership posts at different levels are filled by cadres of different ages. Middle-aged cadres play an important role as a bridge between the past and the future.

Comrade Fang Yi said: The quality of the talent is the most important quality in an enterprise. Flourishing talent is a hallmark of a flourishing undertaking. While making full use of our existing talent, we must vigorously draw in and absorb talented people of all types.

Science and technology are developing all the time. The science and technology contingent in the nonferrous metallurgical industry is also facing a problem of renovating its knowledge. Even graduates of universities and colleges must continue to receive education. We must do a good job in training the staff and workers. Precision equipment cannot play its proper role if it is operated by people who have no grasp of economics and technology. We must persistently grasp the question of training the staff and workers and work very hard at it. We must map out plans and strive to improve the political quality and scientific and cultural level of personnel of all types within a few years. The nonferrous metallurgical industry staff and workers should become one of the best contingents in any trade in the whole country.

HU QIAOMU ATTENDS FORUM AT ELEMENTARY SCHOOL

SK110151 Beijing City Service in Mandarin 1000 GMT 29 Sep 85

[Excerpts] On the afternoon of 28 September, Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, visited the Beitangjie elementary school in Xicheng District to hold a forum with the teachers and students of the school. At the forum, Hu Qiaomu delivered a speech in which he stated: We hope the teachers will make efforts to assume the responsibility of bringing up the next generation under the more arduous condition and that the little friends will exert efforts to study and be determined to be the qualified successors of the generation.

HU QIAOMU MARKS PALACE MUSEUM ANNIVERSARY

OW101317 Beijing XINHUA in English 1245 GMT 10 Oct 85

[Excerpts] Beijing, October 10 (XINHUA) -- China will work hard during its modernization drive to promote its great cultural traditions, Hu Qiaomu, member of the Communist Party Central Committee's Political Bureau, said here today. He said this policy would be firmly applied to the study and development of the country's culture, education, ethics and humanities, as well as to her political, economical, social and international activities.

Hu was speaking at a celebratory meeting for the 60th anniversary of the founding of Beijing's Palace Museum, which was held at the Great Hall of the People. He described the cultural relics and treasures collected by the museum -- now totalling one million pieces -- as "an epitome of China's rich cultural heritage."

To implement the policy, China invited criticism, advice and suggestions from Chinese and foreign experts on Chinese culture. He said: "When reviewing the history of the Palace Museum, we cannot help thinking of the Kuomintang government's contributions to the museum in its initial stage, and the unfortunate separation of the museum's cultural relics and treasures in later days. We hope that this unfortunate situation will be brought to an end as soon as possible."

Speaking at the meeting, Yang Boda, vice-curator of Beijing's Palace Museum, said that while the mainland was celebrating the museum's 60th anniversary, Taiwan was also holding similar activities. He looked forward to the time when the two sides could hold anniversary celebrations for the museum together.

Yang Shangkun, another Political Bureau member, and several other state leaders attended the meeting.

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CHINA
PRC NATIONAL AFFAIRS

DENG LIQUN ATTENDS PEOPLE'S UNIVERSITY MEETING

OW081011 Beijing Domestic Service in Mandarin 1200 GMT 5 Oct 85

[Text] According to a report received by this station, the People's University of China held a meeting today to commend authors and translators of works on 115 outstanding scientific research projects. Deng Liqun and Hu Sheng attended the meeting to offer their greetings. The People's University of China has completed a total of 9,650 scientific research projects from 1979 to 1984, including more than 100 key scientific projects in China. Many of these projects are of significance in developing a special scientific field and in filling in the gaps in a particular academic field in the country.

GU MU, WANG RENZHONG AT PUBLICATION RECEPTION

OW092000 Beijing XINHUA in English 1545 GMT 9 Oct 85

[Text] Beijing, October 9 (XINHUA) -- A reception was held here this evening to mark the publication of "Electronics for China", the first issue of a series of magazines entitled, MODERN TECHNOLOGY AND EQUIPMENT. The series will be jointly published by the China Prospect Publishing House and Business Press International of Britain.

Following "Electronics for China", over 30 monthly titles will be published in succession on subjects including electric power, aviation, textiles, mining, and the chemical and metallurgical industries. The magazines will be edited in accordance with the needs of China's modernization drive, according to an official of the China Prospect Publishing House.

She said, the publications will introduce advanced overseas science and technology, as well as up-to-date products, help coordinate the efforts of the domestic departments and foreign manufacturing firms, and provide information to help Chinese enterprises import technology and equipment.

Chinese leaders Wang Renzhong and Gu Mu and British Ambassador to China Richard Evans were present at the reception.

NPC MEMBERS TO INSPECT SCHOOLS THROUGHOUT COUNTRY

OW100921 Beijing XINHUA in English 0843 GMT 10 Oct 85

[Text] Beijing, October 10 (XINHUA) -- Twenty-five National People's Congress Standing Committee members leave here tomorrow for inspection tours of education up and down the country. They will inspect schools, colleges, cultural development and local efforts to promote socialist morality, according to the committee's general office. The tours, expected to last between 10 and 15 days, will take in the Inner Mongolia Autonomous Region, and Shandong, Hunan, Guizhou and Qinghai Provinces.

At a discussion on Wednesday, the legislators said that their findings would provide a basis for future laws on China's education. [Beijing XINHUA Domestic Service in Chinese at 1137 GMT on 9 October in a similar report adds: "On the morning of 8 October, Chen Pixian and Peng Chong, vice chairmen of the NPC Standing Committee, joined the Standing Committee members at the Great Hall of the People in the discussion."]

Earlier this year, the Standing Committee called for more attention to education. In June, it approved the establishment of the State Education Commission to intensify educational work.

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Part IV

HK040249 Beijing JINGJI RIBAO in Chinese 24 Sep 85 p 2

[Article by JINGJI RIBAO reporter: "Energy Production Shows New Momentum of Sustained Growth -- Part IV of a Commentary on the Economic Situation" -- capitalized passages published in boldface]

[Text] Encouraging changes have taken place in China's energy industry and energy production has gained a new momentum of sustained growth. Last year, output of crude oil totaled 114 million tons and that of raw coal amounted to over 780 million tons, both having a growth rate of more than 8 percent. The electricity generated last year was some 376 billion kilowatt-hours, up 7 percent. China's energy production will reach new heights this year. According to the calculations of the State Statistical Bureau, investment in capital construction for energy production will reach 705 million yuan in 5 years' time, and in making investment arrangements for technical transformation, top priority will be given to investment in tapping the potential of, renovating, and transforming energy enterprises. The Sixth 5-Year Plan period has been the "golden age" of energy construction. The overall growth in energy production and construction was an important factor in the sustained, steady, and coordinated development of China's national economy over the last 5 years and also a good sign for a gradual easing of the strained energy supply in the coming few years.

People will not forget the situation in which China's energy production stagnated in 1980, a year when China's crude oil output was 105 million tons and its raw coal output 620 million tons, both showing a decline as compared with the previous year. The CPC Central Committee and the State Council attached particular importance to this state of affairs and took, in succession, a series of important reform measures for the energy industry. Particularly after energy production was defined by the 12th CPC National Congress as one of the priorities of economic construction, investment in energy production was significantly increased, thus producing an unprecedentedly lively situation in energy production and construction. Its main manifestations are as follows:

SMALL AND MEDIUM-SIZED COAL MINES ARE DEVELOPING VIGOROUSLY. THEY HAVE BECOME A VITAL NEW FORCE FOR BOOSTING RAW COAL OUTPUT. China began to encourage the development of small coal mines in 1980 and later on it drew up, on many occasions, related documents and regulations to promote the development of small coal mines. The number of town and village coal mines run by collectives and individuals all over the country is 60,000 or more so far, with their annual raw coal output constituting one-fourth of the national total. Over the last 5 years, of China's increased raw coal output, totaling 160 million tons, more than 130 million tons were turned out by locally run coal mines (including town and village small coal mines). The output of town and village small coal mines comprised half of the increased output of locally run coal mines. In the last 5 years, the state shipped a total of 150 million tons of raw coal out of localities and put it under its unified allocation scheme. This has played a great role in balancing local energy supplies. Energy growth depends chiefly on the growth of coal and the latter depends to a certain extent on the growth of locally run coal mines. This fact reflects that the policy decisions of the central authorities are correct.

THE SITUATION IN WHICH CRUDE OIL PRODUCTION HAS DEVELOPED HALTINGLY FOR YEARS HAS COME TO AN END AND THE PETROLEUM INDUSTRY HAS ENTERED A NEW STAGE OF DEVELOPMENT. China's crude oil output topped 100 million tons in 1978 and afterward, it declined for a time.

The state promptly formulated a policy of assigning the task of turning out 100 million tons of crude oil a year to the petroleum industrial departments concerned under a contract system, thus mobilizing the enthusiasm of their staff and workers. According to calculations, the cumulative total for crude oil output for the coming 5 years will be 540 million tons or more and the funds raised from above-quota crude oil will approach 12 billion yuan, much more than the budgeted amount of investment allotted by the state to the petroleum industry in its Sixth 5-Year Plan. Oil fields in various localities, in particular the old oil fields in the eastern regions of the country, have considerable additional proven crude oil deposits, which provide a guarantee of resources for the sustained growth of future crude oil production. The facts have proved that the crude oil output contract system is a good method.

THE POWER INDUSTRY IS BECOMING MORE PROMINENT THAN THE ENERGY AND TRANSPORTATION SECTORS. Of the various sectors of the national economy, the power industry is the weakest link. During the Sixth 5-Year Plan period, things have changed considerably in this regard. Of the projected capacity for generating units of over 243 billion kilowatt-hours, as arranged in the state plan for the power industry, 196 billion kilowatt-hours have been available for production use. However, electricity production is far from meeting the growth in power supply needs. To give more prominence to the power industry as compared with the energy and transportation sectors, the state has adopted various measures, of which the most important one is to smash the practice of monopolizing the power business. To date, the number of power projects jointly run by the state and localities or units amounts to several dozen. The funds already raised for this purpose in 1985 totaled 700 million yuan. The power departments have also encouraged enterprises to build power stations for their own use and collectives and individuals to run small hydropower stations. The vigorous development of small hydropower stations will play a great role in solving the problem of electricity for lighting use in the rural areas and outlying districts.

In the last 5 years, to speed up energy construction, the state has taken some other measures, such as, from 1983 on, collecting taxes for energy and transportation construction funds, using foreign capital to build hydropower stations and Shanxi's coal mines, building thermal power stations in the coastal areas, and cooperating with foreign investors in exploiting off-shore oil and on-shore oil in some provinces and regions. All these measures have either been marked by great success or promise good results, thus providing us with a lot of good experiences.

There are also some problems in energy production and construction. Some are the "long-standing, big, and difficult problems," which have remained unsolved over the years, and others are new problems cropping up in the new situation. None of them must be ignored. For instance, once a vigorous development of small coal mines was encouraged, wastage of resources increased and safety in production was ignored. Because management work failed to meet the needs of the changing situation. With the adoption of the policy of encouraging enterprises and localities to run power undertakings, numerous small thermal power stations have been revived or started, thus generating a rise in energy consumption and affecting the implementation of the policy of economizing on the use of energy. Some of these problems are being solved and others have attracted the attention of the departments concerned.

Although there is a new momentum of sustained growth in China's energy production, the supply of energy, and in particular power, remains strained due to a high rate of economic growth. In the construction work ahead, on the one hand, we should continue to give priority to energy production and speed up the pace of energy construction in cooperation with various sectors concerned, and on the other, we should pay close attention to the energy-saving work and use our limited energy resources to create more wealth.

Part V

HK040841 Beijing JINGJI RIBAO in Chinese 25 Sep 85 p 1

[Article by JINGJI RIBAO reporters: "China's Revenue and Expenditure Basically Balanced -- Part V of a Commentary on the Economic Situation"]

[Text] During the period of the Sixth 5-Year Plan, the state financial situation was different from that in 1979 and 1980, when revenue declined and financial deficits increased. In recent years, state revenue has increased substantially, as has expenditure and the financial balance has been maintained. This is an important sign, which indicates that we have basically fulfilled the task of bringing about a fundamental turn for the better in our financial situation.

How should we judge the financial standing of a state? We should first see its revenue and second see its expenditure. During the period of the Sixth 5-Year Plan, the financial situation of our state has two characteristics: First, state revenue increased steadily rather than reducing year after year. In 1982, state revenue increased by 6.6 percent over the previous year; in 1983, the growth rate was 11.7 percent; and in 1984, the growth rate was 21.1 percent, and state revenue reached 146.5 billion yuan. Thus, the target of the Sixth 5-Year Plan was fulfilled 1 year ahead of time. Second, state expenditure has gradually increased and the structure of expenditure has been improved, especially since 1982, in order to concentrate the financial and material resources to complete key construction projects. The state has adopted a series of measures to promote key projects in energy and transport. Expenditure on education, science and technology, and medical services has also increased steadily year after year. Take education as an example. In the six years between 1979 and 1984, state appropriations increased each year at an average of 14.5 percent, far higher than the average annual growth rate of 5.7 percent of state expenditure in the same period. In general, the distribution of state expenditure in the last few years has properly funded the priority sectors of the national economy and has also ensured the coordinated development of all other sectors. The structure of expenditure is getting more and more reasonable, so we can say that the financial situation in the period of the Sixth 5-Year Plan is being gradually improved.

Some comrades may ask: As a certain deficit has remained in our state finances in recent years, why do we say that a basic financial balance has been maintained? How should we correctly view the existence of the financial deficit? Saying that our state is now maintaining a basic financial balance is not contradictory to the existence of a certain deficit. The reason is that ours is a developing country that is carrying out large-scale construction. It is not a serious thing that a deficit of some 2 or 3 billion yuan exists in a state budget totalling hundreds of billions of yuan. Naturally, we should still deal prudently with the deficit, but the deficit should not be considered too serious a matter. At present, the deficit is rather small, and we may even remove the deficit this year. What we talk about is a basic financial balance. It is never easy to achieve and maintain a basic balance. As we know, the existence of the deficit is attributed to a variety of reasons.

Fundamentally speaking, this is the result of the 10-year domestic turmoil, which caused enormous economic losses to the state. We owe a great deal to the people in settling the problems in their livelihoods. It was on the basis of these problems that we began to carry out the Sixth 5-Year Plan. We had to make up for the deficiencies and to start new undertakings, and we were faced with the arduous task of readjusting the economy. In the process of doing all this, the appearance of some financial deficit is not surprising. Of course, the deficit may also be caused by some errors in our work.

For example, we have not brought the scale of capital construction under strict control; some measures have not been coordinated since the major economic structural reform began, thus resulting in some excessive decentralization in the use of funds; and in the last quarter of last year, because some localities and departments did not strictly abide by financial discipline and issued lavish bonuses in kind and in cash, expenditure as a whole was increased beyond the set limits. The party central leadership and the State Council have adopted a series of effective measures to cope with these problems. Some of these problems have been solved, and others are being settled. It is certain that the financial situation in our country will become better and better in the future.

Why could we achieve such a good financial situation as shows by the basic financial balance? A fundamental reason is the improvement of the economic situation as a whole. The financial condition of the state is a comprehensive demonstration of the national economy. In recent years, under the correct leadership of the party central authorities and the State Council, our industrial and agricultural production has been developing rather rapidly, and our economic situation is very good. This provides a solid foundation for increasing state revenue. At the same time, the smooth development of the economic structural reforms plays a positive role. Such measures as substituting tax payment for profit delivery have also contributed to the change in the financial situation, in which revenue fell short of expenditure for a time in the past, even though production was increasing. All this shows that the orientation of our reforms is correct, and the results of the reforms are obvious. In order to advance the good financial situation, we should lose no opportunity in persisting in, and advancing, reforms.

Next year, we will enter the period of the Seventh 5-Year Plan. We will continue to solve existing problems and advance the reforms so as to do a good job in the financial field under the new situation. First, we should readjust the financial distribution policy in light of the structure of our revenue sources and the changes in the patterns of the use of funds, and should perfect our tax collection and other relevant systems. Second, we should open up new revenue sources by actively developing production and improving economic efficiency. Third, we will strengthen economic forecasting and the work of maintaining an overall balance by adhering to the principle of acting according to the national capacity and drawing up economic plans on the basis of ensuring the financial balance, thus promoting the sustained, steady, and well coordinated development of the national economy.

Part VI

HK080327 Beijing JINGJI RIBAO in Chinese 27 Sep 85 p 1

[Article by JINGJI RIBAO reporter: "Marked Improvement in the People's Living Standard in Towns and the Countryside -- Part VI of a Commentary on the Economic Situation"]

[Text] During the "Sixth 5-Year Plan" period, under the guidance of the party's policy of strengthening the state and making the people prosperous, the people's living standard in towns and the countryside has been markedly raised. It is expected that in 1985 the average per capita net income of peasants will reach around 400 yuan, while the average per capita living expenses of workers and staff households will amount to around 820 yuan. This is an important indication of a basic improvement in our country's financial and economic situation. It is also a result of the sustained, stable, and coordinated development of the national economy.

The improvement in people's living standard in towns and the countryside is a generally recognized fact. However, because of big increases in some commodity prices, everybody is now discussing the matter. As it seems that people still have some confused ideas, it is necessary to make a level-headed analysis.

As this is the first year of carrying out the overall economic structural reform focusing on urban areas, in order to straighten out the price system, better develop production, and improve the people's standard of living, we have initiated a price reform and made several price readjustments in which some commodity prices were increased and some were lowered. Recently, we also decontrolled the prices of farm and sideline products. However, as a result of the excessive growth in consumption funds and the mismanagement of commodity prices, the prices of some consumer goods that should not go up have gone up, unduly affecting the people's standard of living. The state has already taken measures to solve the problem.

Nevertheless, in judging whether the people's standard of living has improved, we should not just see whether the commodity prices have gone up, but more importantly, we should see whether the people's income has outgrown the price index. We should also see whether production has developed and whether the goods and materials are abundant. For example, in Hangzhou City where the increase in the price index has run as high as 15.2 percent, there is a company with an income lower than average in the city. However, it has been learned through a survey that the average living standard of 57 households and 89 workers and staff members who belong to the middle and lower-income groups in the company has increased by a 20 to 38.2 percent margin over the previous year, far exceeding the increase in the price index. It is inevitable that some housewives complain when they find the prices of some non-staple food have been raised. But as they have money at hand and there are goods available in shops, they can afford whatever they want to buy and still eat as usual. Therefore, when they calm down they say fairly that "the living standard has really improved, despite increases in commodity price." This shows that the people still do not quite understand the reform, although they have benefitted from the development of the reform and production.

In order to further answer this question, we need to settle several problems.

First, the income and expenditure problem of the 800 million peasants. As the purchase prices for farm and sideline products in 1984 were raised by 53.7 percent compared with 1978, every peasant could draw an additional income of 60 yuan from the sale of farm and sideline products. Meanwhile, as a result of the retail prices for the means of agricultural production and rural consumer goods have increased by 15.2 percent, every peasant should bear an extra expense of about 31 yuan. Deducting the increased expenditure from the increased income, every peasant can net a profit of 29 yuan from the commodity price readjustment. Since the prices for farm and sideline products were decontrolled in 1985, the price index of farm and sideline products has continued to rise by a big margin. Consequently, the peasants will benefit much more from the price reform. According to a sample survey conducted in the country, the average per capita net income of peasants in 1984 amounted to 355.3 yuan, which is an increase of 85.7 percent over 1980, or an average of 16.7 percent a year. Allowing for the factor of commodity prices, the average per capita net income of peasants increased at an average of 15.2 percent a year. It is estimated that the average per capita net income of peasants in 1985 will increase by 13 percent over last year. When we say the living standard of the 800 million peasants has been markedly improved, we mean that the living standard of four-fifths of the Chinese people in the country has been markedly improved.

Second, the income and expenditure problem of the 200 million urban residents. We should admit that the result of the price readjustment is the increased expenditure of workers and staff members. Compared with 1978, the cost of living index of workers and staff members in 1984 has risen by 20 percent. Every worker and staff member (or any other resident living in urban areas) should bear an average extra expense of 99 yuan. However, because the urban laborers are fully employed (over 30 million jobs were created for urban laborers during the "Sixth 5-Year Plan" period) wage readjustment has been made on several occasions, some trades have introduced the piecework system and resumed various incentive systems, and so on, workers and staff members can earn more monetary income. It is estimated that in 1985 the average monetary wages of workers and staff members will increase by 50 percent over 1980, an average annual increase of 8.5 percent in 5 years. Allowing for the factor of price increases, the average effective growth rate is 25.7 percent and the average annual growth rate is 4.7 percent. Thus it can be seen that although the income growth range of the urban residents can not be compared with that of the peasants, the improvement in the living standard of the 200 million urban residents is also very notable, as a result of the wages of workers and staff members growing faster than the cost of living index.

Third, marked changes have taken place in the consumption pattern and a part of the household living consumption has changed from seeking a sufficient quantity to the pursuit of quality. In food, the proportion of wheat and rice in the grain consumption of the peasants has increased from 63.4 percent in 1980 to 78.4 percent in 1984, and the consumptions of edible oils, meat, eggs, poultry, aquatic products, and other items have all increased by around 40 to 50 percent. Because the urban residents are generally supplied with sufficient cooking oil, the people prefer lean pork to fat pork now. The supply and consumption of beef, mutton, poultry, eggs, aquatic products, milk, fruit, and others have all increased considerably some worker and staff households have changed from a "staple food type" primarily consuming grain to the "subsidiary food type" with richer nourishment. Compared with 1980, in 1984 the average per capita consumption of woolen goods in the whole country has increased by 79.1 percent; the consumption of silks and satins increased by 61.5 percent; that of knitting wool, by 66.7 percent; and that of various other cloths, only by 8.2 percent. The urban worker and staff households have been buying more and more fashionable dresses and high-grade wool fabric and silks and satins. The clothing of peasants has also gradually become urbanized. As regards durable consumer goods, the demands of worker and staff households for bicycles, sewing machines, wrist watches, radios have basically been fulfilled. They have turned to television sets, washing machines, electric fans, cassette recorders, refrigerators, and other items.

Fourth, the housing and living conditions of the people in our country have also improved. According to statistics, during the first 4 years of the "Sixth 5-Year Plan" period, units under the ownership by the whole people built a total of 430 million square meters of new housing. The average per capita living space of worker and staff households was increased from 4.96 square meters in 1980 to 6.32 square meters in 1984. Housing built by individuals in rural areas amounted to 2.5 billion square meters. By the end of 1984, the average per capita living space for peasants was 13.6 square meters. State investment in urban public utilities amounted to 16.95 billion yuan, equivalent to 84.6 percent of the total investments made in the 28 years prior to 1980.

Fifth, savings deposits have doubled and redoubled. By the end of 1984, the urban and rural savings deposits in the whole country amounted to 121.47 billion yuan, a 200 percent increase over 1980. Of this, the urban savings deposits reached 77.66 billion yuan, an increase of 175 percent, while the rural savings deposits amounted to 43.81 billion yuan, an increase of 274 percent.

Of course, compared with some developed countries, the living standard of the people in our country is still quite low. In the composition of spending, the proportion of food consumption constitutes about 60 percent and the proportion of non-commodity expenditure like the cultural and recreational expenditure and others is still very small. Most worker and staff households are still living in very crowded conditions. The public facilities, especially public transport facilities, still not suit the needs of the urban development. Some low income households in both the urban and rural areas are still badly off.

The CPC Central Committee and the State Council are extremely concerned with these problems existing for the people in our country. The aim of socialist production is to meet the growing needs of the people materially and culturally. Strengthening the state and making the people prosperous is our fundamental national policy. The suggestion of the CPC Central Committee on the "Seventh 5-Year Plan" has listed further improving the people's standard of living as one of the main objectives. If we advance along the course charted by the party and strive for unity, the people can surely see a transition from having enough to eat and wear to enjoying a comparatively well-off life.

RENMIN RIBAO ON FARM PRODUCTS WHOLESALE MARKETS

HK071417 Beijing RENMIN RIBAO in Chinese 23 Sep 85 p 5

[Article by Zhan Wu, Liu Wenpu, and Zhang Liuzheng: "On the Farm Products Wholesale Markets"]

[Text] The farm products wholesale market is a new phenomenon that has developed in the past few years and is an outcome of our country's economic structural reform, in particular the reform in our circulation system, and also an outcome of the swift development of commodity production and exchange, the improvement of the livelihood of our urban and rural people, and the change in the composition of our consumption that have taken place since the implementation of the contracted responsibility system in our rural areas. According to incomplete statistics at the end of 1984, the number of farm products wholesale centers that had been established mainly under the administration of the industrial and commercial administrative departments exceeded 1,000, and that of the trade centers established by the wholesale units under the state commerce and the supply and marketing cooperative sectors totaled several hundreds. The CPC Central Committee and the State Council have time and again pointed out in their documents the necessity for establishing in a planned manner farm products wholesale centers, but the significance and role of these centers are far from being fully understood, nor have they received due attention. Therefore, it is necessary to carry out a conscientious investigation and study and to conduct scientific discussion about this problem.

A Basic Measure for Solving the Problems Related to Circulation in Our Rural Areas

Experience proves that in order to make a thorough breakthrough in reforming rural circulation and the circulation system, we must rely on the following three conditions: 1) The reform of the system of state monopoly over the purchase of agricultural products; 2) the rise of farm products wholesale market; and 3) a readjustment of the structure of our communications and transport industry and a substantial development of this industry. These three conditions are interrelated and promote each other.

In order to clear the channels of circulation, we want a larger volume of quicker and longer-distance movement of commodities. Our wholesale markets have the precise characteristics of selling goods in large quantities over long distances and having a quick turnover of goods. Therefore, they play an important role in enlivening our circulation. We have made a survey of many farm products wholesale markets and found that they all have fairly large business areas, with a radius ranging from several hundred li to more than 1,000 li. Generally, they do business in several provinces and a few of them even do business in 10 to 20 provinces. Under the conditions of having established farm products wholesale markets and being provided with modern communications facilities, the counties that are located more than 1,000 li away and that produce the commodities of vegetables, fruit, fish, eggs, and so on can become supply bases for our large cities. The idea that a large city has to rely entirely on the supply of vegetables from its suburban areas has already failed to meet the new situation resulting from the current economic development. Why can we not transfer some of the vegetable production for large cities to their outer suburban areas or to areas further away? Growing vegetables in the outer suburbs is more profitable than growing grain, will benefit our peasants, and need not be subsidized by the state. When there are farm products wholesale markets to provide the service and if there are, in addition, convenient communications and transport facilities, it is possible to realize this tentative idea. Then our remote areas will be able to promptly supply our large and medium-sized cities with not only vegetables of ordinary categories, but also selected fresh vegetables of a very seasonal nature. This will profit both the producers and those who carry the vegetables to the cities for sale.

The establishment of wholesale markets is also an effective way of solving problems related to difficulties in marketing our farm products. Problems specific to the relationship between production and demand for farm products are the dispersed nature of production, the very seasonal nature of the production, and the difficulty in preserving most of the products on the one hand, and the relative concentration of consumption of these products, most of which are necessities for people's living all the year round and for which the demand has little elasticity, on the other. This problem is manifested in the fact that difficulties in marketing and purchasing farm products are unavoidable. Expanding the scope of collection and distribution of farm products can ease and even balance this relation between supply and demand.

As a regional trade site, a farm products wholesale center is characterized by being open to all and by trade equality. Therefore, it is able to collect and distribute products in large quantities and to collect products from a long distance away and then distribute them to areas a long distance away. The relations between production and marketing will tend to stabilize in the process of the development of the market. These markets will not only ensure the supplies for our cities, but also facilitate overcoming peasants' difficulties in marketing their products. They will become a fairly suitable form of circulation for many farm products, fresh and live products in particular.

Strengthening Our Cities' Role as Centers of Economic Activities

Our cities have many functions. They are not only bases of our industrial production, but should also be trade and banking centers, communications hubs, and information centers. Some of them are also scientific and educational centers. The diverse economic activities of a city should not be entirely restricted to serving itself. What is more important is that it should serve the whole economic zone within the radius of its influence. In evaluating and assessing the work of a city, we should look mainly into the scope of its influence and the extent of its attraction to the areas around it.

The farm products wholesale markets that have been set up in our large and medium-sized cities (some of them have been set up in towns that collect and distribute farm products), have business areas of different sizes or have formed networks of commodity circulation. They mainly conduct circulation of commodities in the following six aspects: 1) attracting farm products from the rural areas around the cities; 2) supplying in return industrial products for the rural areas; 3) marketing township and town industrial products in urban and rural areas; 4) exchanging farm and agricultural products inside the economic areas; 5) attracting farm and industrial products from areas outside the economic areas; and 6) reselling the farm and industrial products produced inside and outside the economic areas.

The wholesale markets in our large and medium-sized cities will gradually be linked with those in our small towns. The former will rely on the latter and thus form urban and rural commodity circulation networks of different sizes and give better play to the cities' role as centers for organizing the collection and distribution of commodities. Like a relay race, the commodities of remote and border areas are collected and distributed from market to market. As our wholesale markets prosper, the commodity circulation between urban and rural areas and between different areas becomes lively and our cities become better able to give vigorous play to their role as central cities. We should also see that these various functions of cities as economic centers are interrelated and promote one another. The function of trade centers can be regarded as the most basic function. All the other functions, such as those of banking, information, and communications and transport centers serve this basic function and play their role around it.

Help Various Areas to Bring Into Play Their Economic Advantages Over a Greater Range

A prominent characteristic of the farm products wholesale markets in our cities, particularly in our large cities, is that they can carry goods to and from long distances and thus have a great radius of influence and a vast volume of trade. Precisely because of the above-mentioned characteristic of our farm products wholesale markets, many areas are able to market the products that they have great advantage in producing far away and still enjoy a relatively great competitive edge. For example, Chengdu Plain is very favorable to vegetable production, but this advantage cannot be given full play because of the limited consumption there. During the past few years, through diverse channels, including the wholesale markets, its vegetables have been carried far away for sale in Beijing, Harbin, Shenyang, Xian, Taiyuan, Urumqi, Guangzhou, and other areas. In 1984, its vegetable sales to other areas totaled more than 100 million jin. If it was not for the restriction of the shortage of railway transport facilities, Chengdu Plain could become a winter and spring vegetable base for half of China to the north of the Qin mountainous area and the Huai He.

A major characteristic of modern agriculture is the specialization of production and the formation and development of specialized production zones. This enables the areas of production to achieve relatively high economic results and also benefits the consumers. The vegetables produced in Chengdu are cheaper when they are carried far away and sold in north China than those produced there in hothouses. For example, it costs 1.5 yuan to grow a jin of celery in a hothouse in Harbin, but the wholesale price in Chengdu for a jin of celery is only 4.5 fen, and it costs only 14 fen if the cost of packing and transportation is also taken into account. The retail price is only 35 fen, much lower than that of the celery grown in hothouses there. This facilitates conserve our social labor and benefit the consumers as well as the producers and traders. The development of farm products wholesale markets will vigorously help bring into play regional production advantages.

It Gives Impetus to the Readjustment of the Composition of Our Rural Production and Product Mix

Our farm products wholesale markets can provide information for our peasants and urge them to readjust their product mix. The CPC Central Committee's Document No 1 this year stresses the task of readjusting the composition of our rural production and product mix. However, it is impossible to do the work of readjustment by relying on administrative orders. The state should and can draw up a guidance plan on this, but the actual activities of the readjustment have to be carried out voluntarily by millions of rural households after they have received the signals for the readjustment that are indicated by the relation between supply and demand in our markets and by prices. Through the wholesale markets, our peasants will be able to get rid of their parochial views concerning what they can produce and to know what the demands of the market are nearby and far away, what is marketable, and what can bring relatively high economic results. For the past few years, the direction of the development of the diversification of our farming and animal breeding industries and of the development of our foodstuff production and rural processing industries have to a very great extent been dominated and affected by our farm products wholesale markets.

Our farm products wholesale markets give impetus to our rural areas in developing in the direction of specialization and commodity production and transfer our rural surplus labor to township and town industries and tertiary industries. Without wholesale markets with a great volume of trade and quick turnover, in particular without the attraction of the specialized wholesale markets, rural division of labor will be hindered. Our farm products wholesale markets, in particular specialized wholesale markets, and our rural specialized households and villages jointly form an integrated body and promote one another. The specialized villages are production bases for the specialized wholesale markets. The specialized households and the traders who carry products away for sales are a basic trade contingent in our wholesale markets, while our wholesale markets promote the rapid development of our households specialized in processing, those specialized in transporting for sale in particular.

At present, for many of the farm products wholesale markets of a relatively large scale, about 80 percent of their goods come from households specializing in transporting goods for sale. According to the statistics of Zhejiang and six other provinces, at present, there are already over 2.2 million households specializing in transporting goods for sale in our wholesale markets. By carrying the agricultural and sideline products of their native areas to other areas for sale, they have greatly roused the peasants' initiative in readjusting their production composition. In addition, as our farm products wholesale markets develop, some industries that serve the markets, such as catering services and the communications and transport industry, have also developed quickly.

Advantages of Farm Products Wholesale Markets

An indispensable reason why our farm products wholesale markets can play such an important role is the relatively great advantages of this form of circulation under the current concrete conditions in our country. These advantages are mainly shown in the following:

First, our farm products wholesale markets have a great capacity for adapting themselves to the vigorous development of our country's commodity economy.

A fairly large number of farm products wholesale markets have developed on the basis of the rural products trade markets. Even now, there are still many wholesale markets that are located inside rural products trade markets. In some rural products trade markets, a part of the site is for wholesale trade and the other is for retail trade. In others, wholesale trade is carried out in the evening, while retail trade is carried out in the daytime. The process of a rural products retail trade market being switched into a market that does both retail and wholesale trade, and then into a market that does wholesale trade only marks the process of the different stages of the development of our commodity economy.

Our farm products wholesale markets and rural products retail trade markets are two kinds of market with different functions in circulation. They cannot replace each other and there is a relationship of coordination and mutual promotion between them. Therefore, these two kinds of market will coexist for a long time. A farm products wholesale market functions as a trunk channel in the network of channels of the circulation of commodities, while our rural products retail trade markets are merely branch channels. Many products are wholesaled at the former and then retailed at the latter. The widening and lengthening of trunk channels marks a new development of our commodity economy and will in turn give impetus to an even more vigorous development of our commodity economy.

Second, our farm products wholesale markets are a major breakthrough in and a great progress from the old commercial wholesale system.

Compared with the previous wholesale systems of the state commerce and the supply and marketing cooperative sectors, our farm products wholesale markets have very great advantages, which can be summarized as large numbers of channels, flexibility, and high economic results.

By large numbers of channels, we mean that we allow both the state and the collective and individual sectors to deal in the circulation of commodities and thus have diverse channels of circulation. As a result, we have broken the old system of state commerce exerting a monopoly over the circulation of commodities.

By flexibility, we mean that: 1) We have broken the boundaries between administrative areas and between various trades; in other words, we allow goods from any sector or area to be traded in these markets; 2) the prices of goods in these markets vary as market situations vary, and we have thus broken the previous price system that exerted an overrigid control over prices; and, 3) in these markets, people are allowed to choose freely their methods of trade, and we have thus eliminated the fixed links in the old system. Among these advantages of flexibility, the flexibility of prices is the key.

By high economic results, we mean that as there are few intermediate circulation links, quick turnover, and low costs, and as these markets provide traders with various supplementary services, the economic and social results are relatively high.

The above-mentioned advantages are mainly found in wholesale markets of the service type. As for the trade centers established by the wholesale firms of the state commerce and the supply and marketing cooperative sectors, as long as they really regard providing services as their major operation and the trade they do by themselves as their supplementary operation, they basically have the above-mentioned advantages.

The existence and development of the service-type wholesale markets established by government industrial and commercial administration departments are also helpful for the operation of the state commerce and the supply and marketing cooperative sectors: 1) In many farm products wholesale markets, commodities are supplied in large quantities and variety and at rational prices. This provides the state commercial sector and the supply and marketing cooperatives with sources of goods for them to choose and purchase, and also helps other state-run and collective enterprises, institutions, offices, social groups, and PLA units purchase suitable goods; 2) They can provide state-run companies with sites for taking part in the business activities there in order to give play to the dominant role of the state-run economic sector; and, 3) They can provide state-run companies with information about commodities and give these companies impetus in improving their management and reforming the old wholesale system.

Third, the form of farm products wholesale markets facilitates properly combining the exerting of control with providing service and the guidance of state plans with the regulation of market mechanism. One of the important reasons for the attraction of farm products wholesale centers is that they provide good service. All the successful wholesale markets in various areas have set up their supply and marketing service networks and thus systemize the services that they provide for purchases, sales, and daily needs. Our market administration departments establish and strengthen their control on the basis of this work of all-round services. The administrative work personnel do not regard themselves as working in a post at a higher level than the markets as they did in the past, but regard themselves as working the markets. They focus on providing service in doing their work, strengthen their control in the process of providing service for the markets, and do a good job of providing service in the process of exerting control. By so doing, they have given relatively good play to the service and administrative functions of the markets, made them provide satisfactory service and operate in good order, and made the trade there prosper.

Our farm products wholesale markets do not allow the law of value to freely and spontaneously play its regulatory role, but give necessary and possible planned guidance in combination with their service work and by applying economic means. Many wholesale markets have set up their networks for introducing technology from other areas, for marketing goods, for carrying goods, and for transmitting information and bases for the supply of farm products. This has not only promoted the prosperity of these wholesale markets, but has also added the factor of planned guidance to the regulation of market mechanism and thus facilitated balancing the relation between supplies and demands in our markets, enabled all the parties involved in the transactions to be reasonably benefited, and maintained a basic stability of prices in our markets.

The even more vigorous rise of our farm products wholesale markets will be an inevitable trend. There will not only be a relatively great increase in their number, but also a considerable development of the depth and extent of their activities and the scope of their operation. The major trends of their development will be to spread themselves from large and medium-sized cities to the county towns provided with convenient communications and to some industrial and mining areas, to switch from comprehensive wholesale markets to specialized wholesale markets, and from markets that conduct both wholesale and retail business to markets that conduct wholesale business only, to gradually begin the trade in futures, to put more commodities onto our markets, and to more quickly develop service-type wholesale markets. We should carry out all-round planning, mobilize the forces of all sectors in our society to show concern for and take part in the work of establishing and running wholesale markets, continue to improve the material conditions for these markets and perfect their management systems, and thus meet the demand for further expanding the circulation of our farm products.

GUIZHOU SECRETARY RELAYS SPIRIT OF PARTY SESSIONS

HK100825 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 5 Oct 85

[Excerpts] Yesterday morning [5 October], at a meeting of party member cadres above the section level in provincial organs, provincial CPC Committee Secretary Hu Jintao relayed the spirit of the National Conference of Party Delegates and the 4th and 5th Plenary Sessions of the 12th CPC Central Committee. He said that earnestly studying and propagating the documents adopted at the three conferences and the important speeches by central leading comrades is the most important task in ideological and political work for party organizations at all levels in the province.

While relaying the spirit of the three conferences, Comrade Hu Jintao said that to study the spirit of the National Conference of Party Delegates, we must first study and understand the guiding thought, basic principles, and general policies and principles of the conferences and realize their important significance. On this basis, we should study concrete policies and principles, proceed from reality, and solve concrete problems.

Comrade Hu Jintao summarized the main spirit of the National Conference of Party Delegates in four fields: 1) It is necessary to correctly understand the current situation; 2) it is necessary to correctly understand the guiding principles for the proposals for the Seventh 5-Year Plan; 3) it is necessary to correctly understand the urgency and importance of strengthening the building of socialist spiritual civilization and political and ideological work; 4) it is necessary to correctly understand the importance of replacing old cadres with new ones and strengthening the building of leadership groups at all levels.

Comrade Hu Jintao stressed that to study the spirit of the National Conference of Party Delegates, party organizations at all levels, party members, cadres and people of various nationalities must unite, fight, and further carry out the great plan to contribute to invigorating the economy and culture of the state and people. To build and develop socialism with Chinese characteristics and correctly handle new and important problems on the road of exploration, leading cadres at all levels in the province must strengthen the study of Marxist theory, raise political consciousness, and upgrade their creativity. After relaying the spirit of the three conferences, Comrade Hu Jintao also put forth suggestions on studying and propagating the documents of the National Conference of Party Delegates in connection with the province's reality.

Wang Chaowen and Ding Tingmo, deputy secretaries of the provincial CPC Committee, attended yesterday's meeting.

On 3 October, provincial CPC Committee Secretary Hu Jintao relayed the spirit of the National Conference of Party Delegates to the veteran comrades in the province and Guiyang City who have withdrawn to the second and third lines. On 4 October provincial CPC Committee Deputy Secretary Ding Tingmo relayed the spirit of the National Conference of Party Delegates and the 4th and 5th Plenary Sessions of the 12th CPC Central Committee to responsible persons of the provincial CPPCC Committee and all democratic parties in the province.

SICHUAN SECRETARY SPEAKS ON REFORM AT PARTY SCHOOL

HK100823 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 8 Oct 85

[Text] At the invitation of the provincial CPC Committee Party School, yesterday afternoon, Yang Rudai, secretary of the provincial CPC Committee, conveyed the spirit of the National Conference of Party Delegates to some 1,300 teachers, staff members, and workers, and pointed out: It is necessary to correctly understand the situation and to persistently carry out reform.

He said: The current situation in reform is excellent. The 7 years since the 3d Plenary Session of the 11th CPC Central Committee is one of the best periods in which the economic and political situation has developed since the founding of our country. The main criterion for measuring whether the economic situation is good or bad is: 1) see if important proportional relationships are coordinated; 2) see if industrial and agricultural production develops at a suitable speed, steadily, and continuously; 3) see if economic results are raised relatively greatly; and 4) see if people's livelihood improves fairly well. In the past 7 years, we have achieved all this. There has emerged the prospect for a benign circle in our country's national economy.

He said: We must also see that some problems have emerged in the course of reform. We must apply the viewpoint of dialectical materialism to analyze problems emerging in the course of reform. Comrade Yang Rudai emphasized that in all-round reform of the economic structure in our country: 1) We must persist in regarding socialist public ownership as the main subject; and 2) we must get rich together. These are two basic principles. To build a new economic structure, we must do well in grasping three points: 1) It is necessary to strengthen the vitality of enterprises; 2) it is essential to establish the structure of the commodity market; and 3) it is imperative to perfect the current measures for control.

SICHUAN COMMENTARY ON PUBLICIZING LEGAL KNOWLEDGE

HK101333 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 9 Oct 85

[Station commentary: "The Work of Publicizing Legal Knowledge Must Be Carried Out in a Down-to-Earth Manner"]

[Text] The present situation of the province's work of publicizing legal knowledge is very good. The work of establishing experimental units and training core personnel has begun and is making headway. However, the development of publicizing legal knowledge is not even and the province has just taken the first step. The leadership at various levels must understand that the popularization of legal knowledge among the citizens is a matter of basic and fundamental importance for building the two civilizations, building a high-level socialist democratic legal system, and maintaining long-term stability in the motherland. We must spare no effort in the work and carry it out in a profound and constant way.

The work of popularizing legal knowledge is a mass activity of publicizing the legal system. We must make the work conform to the characteristics of the local masses and take actions in the light of their favorable style and method. We must focus on practical results. The quiz game on legal knowledge jointly sponsored by SICHUAN FAZHI BAO, the provincial television station and the provincial radio station; as well as some local lectures and newspaper columns are good examples and merit our support. Of course, we must not neglect basic work such as setting up special organs for supervising the activity, compiling teaching materials, setting up experimental units and revising the regulations.

Once Changsha City fails to do well in a certain area of the work, other areas of the work or even the whole work will be affected and the enthusiasm of the masses will be dampened. In other words, we must seriously organize the work. Only thus can we implement in an in-depth, lively, and healthy way the lofty social project of popularizing legal knowledge, and thus make greater achievements.

INTELLECTUALS TAKE UP LEADING POSTS IN BEIJING

HK081608 Beijing ZHONGGUO XINWEN SHE in Chinese 0839 GMT 5 Oct 85

[Text] Beijing, 5 Oct (ZHONGGUO XINWEN SHE)-- Beijing Municipality has made progress in implementing the policy toward intellectuals. So far more than 36,000 intellectuals have taken up leading posts at various levels and more than 30,000 households have pleasantly moved into new or better flats. BEIJING RIBAO today reported that since 1982, Beijing municipal authorities have adopted several measures in implementing the policy toward intellectuals. The measures are:

-- A large number of outstanding intellectuals in their prime have been appointed to posts in the leading bodies at various levels. In the past 2 years, more than 5,500 outstanding intellectuals were selected and appointed to leading posts at and above the section level in Beijing.

-- Some arrangements have been made to ensure that professional technical personnel will get the jobs that fit their professional fields. In the past 2 years, more than 11,000 intellectuals who had worked in posts that did not fit their specialties have been transferred to new posts, while more than 3,400 college or technical secondary school graduates who had been employed as ordinary workers for different reasons have been reappointed to technical posts.

-- More than 600 experts and professors have been appointed technical advisers to the municipal government and 6,000-7,000 technical personnel have been appointed technical advisers to districts, counties, bureaus, and various grassroots units.

-- The municipal government has set aside 20 million yuan as special funds to finance housing projects. The fund will provide 50,000 square meters of floor space for intellectuals and build residential flats with 100,000 square meters of floor space to accommodate primary and secondary school teachers. In the past few years, more than 11,000 intellectuals who had lived apart from their spouses got their flats so that they can now live with their families.

It is reported that Beijing Municipality is still faced with a few problems in the work concerning intellectuals. For example, some units have let qualified personnel lie idle or have recruited too many qualified personnel without making proper use of them, and the studying, living, and working conditions for young and middle-age intellectuals have yet to be further improved.

HEBEI ELECTS NEW GOVERNMENT PERSONNEL

SK090055 Shijiazhuang HEBEI RIBAO in Chinese 17 Sep 85 p 2

[Text] On 4 September 1985, the provincial government decided to appoint Guo Honggi [6753 3163] as commissioner of the Nandan Prefectural Administrative Office of Hebei Province; Zhao Weizhuang [6392 4850 2866] as commissioner of the Cangzhou Prefectural Administrative Office of Hebei Province; Sun Ye [1327 8518] as deputy commissioner of the Cangzhou Prefectural Administrative Office of Hebei Province; Li Hanliang [2621 3352 5328] as deputy director of the Hebei Provincial Department of Foreign Economic Relations and Trade; and Zhou Guoqing [0719 0948 0615] as adviser to the Hebei Provincial Financial Department. The provincial government also decided to remove Guo Honggi from the post of deputy secretary general of the Hebei Provincial People's Government; Luo Zjiling [5012 2784 7881] from the post of deputy director of the Hebei Provincial Financial Department; Li Shuchun [2621 2885 2504] from the post of commissioner of the Handan Prefectural Administrative Office of Hebei Province; Zhang Runshen [1728 3387 6500] from the post of commissioner of the Baoding Prefectural Administrative Office of Hebei Province; and Wu Yedu [0702 6851 3256] from the post of deputy commissioner of the Cangzhou Prefectural Administrative Office of Hebei Province.

TIANJIN CONGRESS MEETING ELECTS NPC DEPUTY

SK090107 Tianjin TIANJIN RIBAO in Chinese 27 Sep 85 p 1

[Excerpts] The 22d Standing Committee meeting of the 10th Tianjin Municipal People's Congress opened at the cadres' club on 26 September. The meeting approved the resolution on enhancing propaganda and education on legal systems and basically popularizing legal knowledge. We should strive to popularize legal knowledge among the citizens within the next 4 years in order to foster fine social morale and enable everything to be done in line with the law.

Bai Hua, vice chairman of the municipal People's Congress Standing Committee, presided over the meeting. The meeting heard, examined, and approved the report given by Song Shutao, director of the municipal Judicial Bureau, on the municipal situation prevailing in propaganda and education on legal systems and the work done in popularizing legal knowledge among the citizens.

The meeting elected Cheng Siyuan as a supplementary deputy to the Sixth NPC and approved other personnel changes. Attending the meeting were vice chairman of the municipal People's Congress Standing Committee, including Fan Quan, Yu Fujing, and Shi Jian. Attending the meeting as observers were Lu Xuezheng, secretary general of the municipal people's government, Wang Yongchen, president of the municipal Higher People's Court, and Jiao Li, deputy procurator of the municipal people's procuratorate; and responsible persons from the departments concerned of the municipal People's Congress Standing Committee, the municipal people's government, and the municipal CPPCC Committee, and from the People's Congress Standing Committees of various districts and counties.

TIANJIN TO HOLD CPPCC COMMITTEE SESSION 11 OCTOBER

SK090451 Tianjin City Service in Mandarin 1430 GMT 8 Oct 85

[Text] The 7th municipal CPPCC Committee held its 14th Standing Committee meeting this morning at the auditorium of the municipal CPPCC Committee. Chen Bing, chairman of the municipal CPPCC Committee, presided over the meeting. The meeting decided to hold the Fourth Session of the Seventh Tianjin Municipal CPPCC Committee at the Tianjin Guesthouse on 11 October. The participating Standing Committee members heard an explanation on partial readjustment of the personnel of the municipal CPPCC Committee given by Liu Zengti, deputy director of the united front work department of the municipal CPC Committee, on behalf of the municipal CPC Committee.

The meeting examined and discussed the proposed namelists of Standing Committee members, the vice chairman, and the secretary general to be elected through by-elections, and the draft agenda, the schedule, and other relevant items of the fourth session of the seventh municipal CPPCC Committee. The namelists will be submitted to the session. The meeting supplemented the seventh municipal CPPCC Committee with two members -- Xiao Yuan and (Guo Jinhou) -- and accepted the resignation of Comrade (Chen Rong) from the post of deputy secretary general of the seventh municipal CPPCC Committee. The meeting also decided on other personnel and organizational matters.

Attending the meeting were Zhao Jinshang, Zhou Ru, Huang Difei, Yang Tianshou, He Zongqian, Yu Songting, Kang Tiejun, and Chen Ruyu, vice chairmen of the municipal CPPCC Committee, and responsible comrades of the united front work department of the municipal CPC Committee.

TIANJIN RELEASES RESULTS IN CADRE SURVEY

SK091510 Tianjin TIANJIN RIBAO in Chinese 19 Sep 85 p 3

[Text] On 18 September, the Tianjin municipal group leading cadre general survey work released a communique on the major figures obtained from the first and second stages of the municipality's cadre general survey. The communique is composed of five parts: 1) the general situation of those who were surveyed; 2) their composition; 3) their basic conditions; 4) their distribution; and 5) the situation of specialized personnel among them.

The communique points out: By 30 November 1984, Tianjin Municipality had 308,383 specialized persons with an education level of secondary specialized school or higher, or who have professional or technical titles. They accounted for 52.41 percent of the persons who were surveyed in the municipality, and 15.26 percent of the total number of staff members and workers of the units surveyed. Of this number, 177,807, or 57.66 percent, were males, and 130,576, or 42.34 percent, were females. Those of Han nationality totaled 301,671, or 97.82 percent, and those of minority nationalities 6,712, or 2.18 percent. Those working at state units numbered 295,088, or 95.7 percent, and those working at collective units 13,295, or 4.3 percent.

Among the specialized persons, 14,469, or 4.69 percent, were administrative personnel; 61,933, or 20 percent, were managerial personnel of enterprises and establishments; 229,895, or 74.55 percent, were professional and technical personnel; and 2,086, or 0.69 percent, were workers.

Among these persons, more than two-thirds were at or under the age of 45. Those at or under the age of 30 totaled 96,441, amounting to 31.27 percent; those 31 to 45 years of age totaled 133,882, 43.42 percent; those between the ages of 46 and 55 totaled 64,450, or 20.89 percent; and those aged 56 or older totaled 13,610, or 4.42 percent.

Among those surveyed, graduate school, college, university, and secondary specialized school graduates totaled 276,992, accounting for 89.82 percent of the specialized persons. Of this number, 1,432, or 0.46 percent, attended graduate school; 78,116, or 25.33 percent, graduated from universities; 65,011, or 21.1 percent, from colleges; and 132,433, or 42.93 percent, from secondary specialized schools.

Those with academic degrees totaled 23,178, amounting to 7.5 percent, and those without totaled 285,205, or 92.49 percent. Eighty had doctoral degrees, 37 had sub-doctoral [fu bo shi 0479 0590 1102] degrees, 619 had master's degrees, 22,413 had bachelor's degrees, and 29 other academic degrees.

Among these specialized persons, 148,558, or 48.17 percent, held professional or technical titles. Those with high-grade titles totaled 3,501, those with middle-grade titles 49,500, and those with primary titles 95,557, amounting to 1.14, 16.05, and 30.99 percent, respectively.

The composition of the specialties of these persons was as follows: 38.9 percent, or 107,743, were specialized in engineering; 1.28 percent, or 3,535, in management; 1.78 percent, or 4,925, in agriculture; 0.2 percent, or 553, in forestry; 14.79 percent, or 40,959, in medicine; 13.91 percent, or 38,539, in pedagogy; 9.35 percent, or 25,896, in liberal arts; 8.1 percent, or 22,446, in sciences; 7.96 percent, or 22,059, in finance and trade; 0.9 percent, or 2,481, in politics and law, 1.29 percent, or 3,583, in physical culture and sports; 1.37 percent, or 3,802, in art; and 0.11 percent, or 471, in other specialties.

LI LIAN SPEAKS AT HEILONGJIANG COLLEGE MEETING

SK100502 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 9 Oct 85

[Excerpt] Liu Chengguo, deputy secretary of the provincial CPC Committee, delivered a speech at the conference of CPC Committee secretaries of higher educational institutions through the province, which concluded on 9 October. In his speech, he stressed that we should do a good job in grasping ideological and political work among higher educational institutions as we did in conducting reforms in economic systems. At present, efforts should be made to enhance education among students on attentively studying the spirit of the National Conference of Party Delegates and on the current situation, policies, and the principle of "four have's" in order to reinforce the contingent of political work and to further strengthen ideological and political work among higher educational institutions.

The conference of the CPC Committee secretaries of higher educational institutions is the first work meeting sponsored by the provincial CPC Committee since the National Conference of Party Delegates. During the conference, the party committee secretaries from the 41 higher educational institutions throughout the province studied and discussed the documents of the National Conference of Party Delegates and the important speeches given by the central leading comrades at the conference, exchanged their experience gained in conducting ideological and political work, and analyzed the current situation of ideology and politics among college students.

Over the past few years, our province has enhanced the ideological and political work among higher educational institutions, and the ideology of students in these institutions has basically been stable. The main trend of their ideology has been progressive. College students have drawn closer and closer to the party. At present, more than 15,800 students throughout the province have applied for party membership, more than 30 percent of all college students in the province. They have supported the drive to conduct reforms and have been stronger in their determination to be self-reliant and competent. All of this constitutes the strong ideological trend and prominent characteristics of contemporary college students. However, some teachers and students have been affected to varying degrees by money worship, egoism, existentialism, liberationism, anarchism, and the newly-emerging malpractices. All of these have reflected from various angles the weaker situation in the ideological and political work among schools.

Huang Feng, Standing Committee member of the provincial CPC Committee and director of the provincial propaganda department, presided over the conference on 9 October. Li Lian, secretary of the provincial CPC Committee, and Liu Chengguo, deputy secretary of the provincial CPC Committee, delivered speeches at the conference.

In his speech, Li Lian relayed the guideline of the resolution adopted at the National Conference of Party Delegates on strengthening the work of ideology and politics and also put forward the demand with regard to enhancing ideological and political work among higher educational institutions throughout the province.

HEILONGJIANG ARMED POLICE FORCE DEMONSTRATION

SK110215 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 10 Oct 85

[Text] Today, our province's mobile force, a striking unit directly under the provincial Armed Police Force, held its first military professional skills report demonstration at the provincial capital. After watching the demonstration, Li Lian, secretary of the provincial CPC Committee, encouraged the commanders and fighters to strengthen training and be ready for mobilization at any time.

The striking unit of the provincial Armed Police Force was organized last year. Its main task is to handle riots. A military parade and a march-past were held before today's report demonstration. Leading comrades of the province, including Li Lian, Chen Lei, and Zhou Wenhua, reviewed the square battle formation composed of motorcycles, high-speed police vehicles, and cross-country vehicles, and watched the vehicle aerobatics and the duel fighting demonstration of the fighters. Today, this unit also waged a simulated drill on how to deal with the two emergency situations of capturing criminals who attempt to escape or to attack the leading organs.

LIAONING COURT TRIES ECONOMIC CRIMINALS

SK110111 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 9 Oct 85

[Text] On the morning of 9 October, the Shenyang City Intermediate People's Court held an open trial at the Liaoning Gymnasium. (Hao Wei) and 16 other economic criminals were strictly punished according to law. These criminals were guilty of swindling, theft, bribery, and graft.

(Hao Wei), a 34-year-old grafter and spy, was a former clerk at the managing department of the Shenyang Trust and Trading Company. In July 1984, he took advantage of his post to embezzle 100,000 yuan of public funds and attempted to flee to Taiwan. He wound up in Macao where he participated in the KMT spy organization. He was named leader of the Shenyang work group of the KMT mainland recovery committee. Last 18 January, he was caught trying to sneak into the mainland from Macao. After being sentenced to death by the Shenyang Intermediate People's Court, (Hao Wei) refused the court decision and appealed to the Liaoning Provincial Higher People's Court. His appeal was rejected by the provincial Higher People's Court and his punishment was sustained. With the approval of the Supreme People's Court of China, (Hao Wei) was sentenced to death on charges of embezzlement. He was permanently deprived of political rights. After the public trial, (Hao Wei) was escorted to the execution ground to be executed by a firing squad.

(Guo Jingsheng) and (Xu Jilin) were habitual criminals who, on many occasions, stole and sold large amounts of industrial materials of the state and enterprises and the property of the masses. Each of them earned more than 10,000 yuan of illegal money. Their cases were very serious. They were sentenced to death with a 2 year stay of execution. They were permanently deprived of political rights.

(Gao Yuanqing), a vehicle magnate, took advantage of his post to extort money and accept bribes totalling 55,191 yuan from vehicle purchasing units and individuals, seriously disrupting the socialist economic order. However, he was given a lenient punishment of fixed-term imprisonment because he gave information on other criminals after his arrest and his family members handed in all the illegal money. He was also permanently deprived of political rights.

(Liu Jiyou) swindled 113,000 yuan from a trade depot in Beizhen County by signing a false contract. He was given a severe punishment of fixed-term imprisonment and permanent deprivation of political rights.

Scoundrel (Zhang Fengshan), a former responsible person of the blood bank of the Shenyang No 245 Hospital, cruelly made false blood donation cards and stole part of the blood that should be transfused to patients. He embezzled a total of 12,200 yuan on several occasions. He was sentenced to a fixed-term imprisonment of 12 years. Eleven other economic criminals were also sentenced to fixed-term imprisonment in accordance with the law.

Attending the open trial held on 9 October were more than 10,000 persons. More than 250,000 persons in Shenyang City listened to the live broadcast of the open trial at some 540 branch assembly sites.

QINGHAI SECRETARY RELAYS SPIRIT OF PARTY SESSIONS

HK100821 Xining Qinghai Provincial Service in Mandarin 2330 GMT 5 Oct 85

[Excerpts] Yesterday morning [5 October] the provincial CPC Committee held a meeting of party member leading cadres. Yin Kesheng, CPC Central Committee member and provincial CPC Committee secretary, relayed the spirit of the National Conference of Party Delegates and the 4th and 5th Plenary Sessions of the 12th CPC Central Committee to cadres above the county level in the Xining area. He also spoke of his important suggestions on how to implement the spirit of the three conferences in the province.

Comrade Yin Kesheng's speech was divided into four parts: 1) A basic introduction to the three conferences; 2) achievements made by the conferences; 3) understanding of the spirit of the conferences; and 4) suggestions for relaying and implementing the spirit of the conferences. Comrade Yin Kesheng said that the National Conference of Party Delegates and the 4th and 5th Plenary Sessions of the 12th CPC Central Committee had the same subject; namely, unite, fight, and carry out the great plan.

Comrade Yin Kesheng put forth six suggestions on how to implement the spirit of the three conferences: 1) It is necessary to earnestly study the documents of the three conferences and deeply understand the spirit of the documents; 2) it is necessary to have a correct evaluation of the situation and to concentrate our efforts on developing economic work; 3) further strengthen the building of socialist spiritual civilization so as to ensure the smooth progress of reform and economic construction; 4) continue to promote the replacement of old cadres by new ones and further strengthen the building of leadership groups; 5) improve work style and link our work with practice; and 6) make meticulous arrangements and properly grasp concrete work.

There are almost 3 months until the end of the year. All areas, departments, and units must treat reform as a motive force, do their utmost to fulfill and overfulfill this year's tasks and targets, and make good preparations for next year's production. In industrial production, we must make overall arrangements and, under the circumstances of a shortage of energy and raw materials, ensure the production of key and fine-quality products and advanced technology products. In foreign trade, we must properly arrange the sources of goods for export and earn more foreign exchange. We must continue to readjust the agricultural structure and never relax grain production. We must promptly implement measures for fighting natural disaster and protecting young plants in the winter. In financial work, we must continue to implement the spirit of the National Financial Work Conference and National Tax Work Conference; strive to fulfill the target set by the central leadership for the province in financial expenditure control and tax income; actively collect revenue; strictly control expenditure; and properly inspect finance, price, and taxation in the province so as to ensure a balance between revenue and expenditure this year.

ACTIVITIES OF CENTRAL DELEGATION IN XINJIANG

HK101337 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 8 Oct 85

[Excerpts] Accompanied by regional party and government leaders Fu Wen, Huang Baozhang, and Codanov, deputy heads of the central delegation Seypidin and Chen Xin and other delegation members visited Ili Kazak Autonomous Prefecture today. This morning, Seypidin, Pei Sheng and others visited (Shaxi) Cemetery of Revolutionary Martyrs and the exhibition on the martyrs' deeds. Then they visited Ili woolen mill, Ili leather plant, and Ili Teachers Institute and listened to the briefing of the leaders of these three units.

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In the afternoon, they visited Ili He bridge, the families of Kazak herdsmen, listened to the briefing by Qapqal Xibe Autonomous County, and watched an arrow-shooting performance.

Today, accompanied by Wang Zhenwen, Li Shoushan, Ismail Yashenof, and other leading comrades of the region and Urumqi City, Burhan, deputy head of the central delegation, went to Xinjiang Tianshan Woolen Textiles Company Limited, Urumqi City carpet plant, Urumqi City instrument factory, and Urumqi Uygur Medicine Hospital to pay a warm visit to the workers, cadres and medical workers of various nationalities. Today, the deputy delegation head presented gifts on behalf of the central delegation to Tianshan Woolen Textiles Company Limited, Urumqi City carpet plant, Urumqi city instrument factory, and Urumqi Uygur Medicine Hospital.

This morning, accompanied by Amudun Niyaz, member of the Standing Committee of the regional CPC Committee; and Meng Shulin, vice chairman of the regional CPPCC Committee, Zhou Wenyan and Wang Boquan, deputy heads of the central delegation, and some members of the delegation arrived by a special airplane in Kashi City, an important city in southern Xinjiang, to visit the people of various nationalities there.

After arriving at the guesthouse by car, deputy delegation heads Zhou Wenyan and Wang Boquan listened to a briefing by prefectural CPC Committee Secretary (Guo Geng) on the work there. Zhou Wenyan conveyed, on behalf of the central delegation, cordial festival greetings and kind regards to the people of various nationalities in Kashi. He said: The leaders of the Kashi Prefectural CPC Committee and Commissioner's Office and the people of various nationalities have conscientiously implemented the party's policies toward nationalities and religion, brought order out of chaos, and thus restored and developed socialist relations between nationalities that were seriously disrupted during the Great Cultural Revolution and begun a period of the best unity between nationalities. He hoped that the cadres of various nationalities would take the lead in developing socialist relations between nationalities and thus carry on, develop, and pass down to future generations the fine tradition of nationality unity. He expressed his best wishes for the prosperity of the prefecture and happiness of the people there.

In the afternoon, deputy delegation heads Zhou Wenyan and Wang Boquan, and other members of the delegation, went to Southern Xinjiang Military Subdistrict to convey warm greetings to the PLA commanders and fighters and present gifts to them. They went to a nationality company in a certain unit of the subdistrict to greet nationality fighters. They held a get-together with the advanced collectives and individuals of the subdistrict in fighting against earthquakes and doing relief work and in rebuilding the Xingjiang-Xizang highway.

CORRECTION TO REPORT ON NINGXIA ECONOMIC SUCCESS

The following correction pertains to the item headlined "NINGXIA RIBAO on Success of Economic Policies," published in the 8 October China DAILY REPORT on page T 1. Paragraph two, line nine reads:

...the technology and equipment for making megohmmeters [zhao ou biao 0340 2962 5903] imported by Ningxia Electronics Instrument Factory... (changing "transistors" to "megohmmeters," supplying STC's, and correcting spelling of factory name)

CELEBRATIONS MARK DOUBLE TENTH NATIONAL DAY

OW101045 Taipei CNA in English 1017 GMT 10 Oct 85

[Text] Taipei, Oct 10 (CNA) -- In celebration of the double tenth National Day, more than 250,000 people joined at a rally Thursday at the square before the presidential office building.

Nieh Wen-ya, president of the Legislative Yuan, presided over the gathering. The participants included military personnel, representatives of all walks of life, students, Overseas Chinese and foreign dignitaries.

Nieh, addressing the rally, said this year's National Day celebration was of special significance as it coincides with the 40th anniversary of Taiwan's retrocession from Japanese rule. He called on all compatriots to continue striving hard, under the leadership of President Chiang Ching-kuo, to build Taiwan into a model province in accordance with the three principles of the people, and to accomplish the national recovery mission.

Li Yong-nien from the Philippines, speaking on behalf of all Overseas Chinese, voiced firm support for the Republic of China [ROC], and pledged to dedicate their utmost to augmenting the ROC national strength for an early reunification of China under the three principles of the people.

Former Chinese Communist pilot Hsiao Tien-jun spoke for all freedom seekers when he said that "communism would only destroy China. Only the three principles of the people will save China." He called Taiwan the lighthouse of China, and said, "Only when we unite closely under President Chiang, will we be able to recover the mainland and save mainland compatriots from the communist yoke."

The rally adopted a proclamation to pledge all-out efforts for building a free democratic China on the mainland. It also paid high respects to all freedom seekers, Overseas Chinese and the armed forces. The proclamation also reminded the free world that a free prosperous republic of China with strong armed forces is the only hope for the future of the people on the Chinese mainland.

President Chiang appeared on the balcony of the presidential office to greet the participants. Speaking to the rally, President Chiang exhorted the military and the civilians to continue fighting for the eventually overthrow of the communist tyranny and the recovery of the mainland.

A grand parade followed the rally. Starting from the presidential square, the parade passed through the main streets of downtown Taipei.

Chiang Speaks

OW101429 Taipei CNA in English 1353 GMT 10 Oct 85

[Text] Taipei, Oct 10 (CNA) -- President Chiang Ching-kuo Thursday called on the people of the Republic of China to save their own country by their own efforts, and make their way into the future with their own strength.

No matter how difficult the future course of this nation may be, he said, the final victory will come if all the people stand firmly for democracy and constitutional rule, and march ahead undaunted and with full faith.

President Chiang made the call when he officiated at a central government ceremony in celebration of the double tenth National Day at the presidential office Thursday. Chiang, in his speech, also pointed out that the Chinese people have a definite direction and a common aspiration and have found a solution to the China issue.

Foreign Dignitaries Attend

OW101758 Taipei CNA in English 1438 GMT 10 Oct 85

[Text] Taipei, Oct 10 (CNA) -- Foreign dignitaries who attended the Republic of China's double tenth national day celebration rally and watched the subsequent parade at the presidential square in Taipei Thursday were deeply impressed with the high morale demonstrated by the paraders.

Charles S. Robb, governor of Virginia, USA, told CNA that he was deeply impressed with the esprit de corps shown by the paraders consisting of troops, Overseas Chinese representatives, and civilians from all walks of life in this country. He said it is easy to see from the parade that the troops of the Republic of China are well trained. Mrs Robb, daughter of the late U.S. president, Lyndon Johnson, also told CNA that she was especially impressed with the high spirit shown by the women in uniform marching in goose-step fashion.

Bill Clinton, governor of Arkansas, USA, said it was apparent to see from the parade that Chinese people here and abroad support the government of the Republic of China. He said the parade was marvelous. Clinton, who met with President Chiang Ching-kuo earlier in the morning, said the president was in good health.

Both Robb and Clinton told CNA that the Republic of China has purchased large quantities of grains and timber from their states in recent years. They expressed their confidence that the economic and trade relations between the United States and the Republic of China will be further strengthened.

Gen Magnus Malan, defense minister of the Republic of South Africa, lauded the troops in the parade saying that they are among the best-trained troops he has ever seen.

Harry E.T. Thayer, director of the Taipei office of the American Institute in Taiwan, said that he has attended this country's National Day celebrations twice and that he has been deeply impressed each time.

Jun Sonoda, director of the International Relations Department of the Tokyo Broadcasting System, described the celebration rally as marvelous and beautiful. He told CNA that he was also deeply impressed with the cleanliness of the streets in Taipei and that, in his opinion, Chinese culture is well-preserved in the Republic of China on Taiwan.

Oscar Felix Peguero Hermifa, ambassador of the Dominican Republic to Taipei, said the people of the Republic of China should be proud of their own country and their achievements in various fields.

Tea Party for Overseas Chinese

OW110417 Taipei CNA in English 0320 GMT 11 Oct 85

[Text] Taipei, Oct 10 (CNA) -- Secretary General Mah Soo-lay of the ruling Kuomintang's Central Committee said Thursday that the patriotism demonstrated by Overseas Chinese around the world and the prevailing movement of unifying China under the three principles of the people are the best weapons to destroy the Peiping regime's united front tricks.

Mah made the remark at a tea party held by the KMT Department of Overseas Affairs at the Armed Forces Officers Club in downtown Taipei. The party was held to welcome the Overseas Chinese who returned here to attend the double tenth celebrations. He said that although the Chinese Communists' have been strengthening their peaceful reunification offensive among Overseas Chinese recently, it will never succeed because most of the Overseas Chinese support the ROC Government and its democratic political system.

Mah said that the Peiping regime will enhance its preparedness, attempting to "liberate Taiwan by force" after the failure of its united front offensive. He urged all Chinese residing abroad to unite more closely with domestic compatriots in helping the government accomplish the mission of national recovery at an early date.

Yang Huai-an, former mainland scholar and Ms. Ti Chiang-hwa, former mainland ping pong star, both of whom sought freedom in the United States recently and returned here for the National Day celebrations, were introduced to attendants of the party.

Luncheon for Overseas Chinese

OW110411 Taipei CNA in English 0312 GMT 11 Oct 85

[Text] Taipei, Oct. 10 (CNA) -- The enormous number of Overseas Chinese coming back to their mother country for the double tenth National Day celebrations and the enthusiastic celebrating activities by Overseas Chinese all over the world clearly signify their deep passion for the Republic of China and staunch confidence in the mission of national recovery, said Tseng Kwang-shun, chairman of the Overseas Chinese Affairs Commission [OCAC] Thursday.

He made the remarks at a luncheon party, held in the Taipei City Hall Thursday, in honor of over 500 heads of Overseas Chinese delegations. According to Tseng, as of Thursday, the number of Overseas Chinese returning to the ROC had reached 16,000.

Overseas Chinese have special historical ties with the ROC, and have had, in the past, outstanding contributions to the founding and development of their mother country. Therefore, they are always sincerely welcome and respected here, the top OCAC official stressed. He also urged all Overseas Chinese around the world to work together, echoing the call by President Chiang Ching-kuo, to achieve, with undefeated confidence and resolution, the reunification of China under the three principles of people.

Speaking on behalf of the heads of Overseas Chinese delegations, Chiang Wei-ping, from Chicago, the United States, said the fact that more and more Overseas Chinese return to the ROC for the National Day celebrations, in defiance of Communist Chinese united front tactics, is the best proof of their strong support of the ROC. On the occasion he also expressed, in the name of all Overseas Chinese, the highest respect for President Chiang.

The Overseas Chinese delegations Thursday participated in the National Day rally and grand parade in front of the presidential office. They were deeply moved and impressed, Chiang Wei-ping said. They are scheduled to visit various military and economic establishments in their separate groups over the next few days.

MING PAO REPORTS PROBLEMS IN PLA PARTY RECTIFICATION

HK101411 Hong Kong MING PAO in Chinese 9 Oct 85 p 5

[Special dispatch from Beijing: "All-Army Party Rectification Office's Circular Points Out That There Are Problems in Party Rectification at Division Level and Membership Registration Is Not Being Rigorously Carried Out"]

[Text] The circular of the PLA All-Army Party Rectification Office points out that there are many problems in party rectification at the divisional level. The main problem is that serious attention has not been paid to membership registration and organizational measures, and some practices are improper.

This "Circular on Several Questions Concerning Organizational Measures and Membership Registration" was issued on 30 September for divisional units carrying out party rectification.

The circular said: Taking organizational measures and membership registration for party members is an important step in fulfilling the task of party rectification and an important measure for strengthening party building under new historical conditions. Only when serious organizational measures are taken against those party members who have violated party discipline and harmed the party's interests, and when the work of membership registration is rigorously carried out on the basis of ideological education, can we effectively solve the problems such as impurity of organization and lax discipline, ensure the purity and advanced nature of the party organization, and enhance the party's fighting capacity.

The circular stressed that it is necessary to rigorously carry out membership registration on the basis of taking organizational measures against discipline violators. It is necessary to take serious measures against those who have violated party discipline in accordance with the seriousness of their mistakes and their attitude and their recognition of those mistakes. If we are indulgent toward their mistakes and do not take serious measures against them, the advanced nature and fighting capacity of the party will inevitably be affected. We must understand that taking organizational measures and party membership registrations are related to and different from each other. Not allowing for registration and delay in registration are not organizational measures. They cannot replace organizational measures against party members who have violated discipline.

The circular requires that all party rectification units at the divisional level should rigorously carry out membership registration for party members. On this question, no consideration should be given to those party members who have not yet participated in the study of documents on party rectification and in comparison and examination, unless they have conscientiously made up the missed lessons. All divisional units that have finished membership registration and have taken organizational measures against discipline violators must reexamine the work in this stage. If any mistakes are found, they should be corrected as soon as possible. Disciplinary measures should be taken against those who should be punished but still have not yet been punished. The mistakes, such as membership registration for those members who do not meet the requirements for party members, should be corrected. Greater efforts should be made to clarify the problems concerning party members who are involved in some important cases and whose membership has been registered, so that proper measures can be taken to deal with these party members in accordance with relevant regulations.

HONG KONG VOWS TO CONTINUE FIGHT AGAINST JENKINS BILL

HK111008 Hong Kong AFP in English 0958 GMT 11 Oct 85

[Text] Hong Kong, Oct 11 (AFP) -- Hong Kong has vowed to continue the fight against the U.S. Jenkins bill, warning that the passage of the protectionist textile imports legislation would wreck the world economy.

"It's a devastating bill that would destroy the world trading system," Trade Department Information Officer Phillip Bruce told AGENCE FRANCE-PRESSE today in reaction to the U.S. House's approval of the bill. He said the British colony of Hong Kong, which has spent millions of dollars on three firms of lobbyists in Washington, was leading the fight by developing countries against the proposed legislation.

The House vote yesterday failed to gain the two-thirds majority that would be needed for passage over a presidential veto. The bill now goes to the Senate, and President Ronald Reagan is expected to veto it.

During a news conference, Trade Department acting director Donald Tsang described the situation as "fluid" and said: "Our Washington office together with our lobbyists are working flat out to make sure that congressmen and senators are aware of all the facts."

Asked if Hong Kong would retaliate if the bill passed into law, Mr Tsang said "we would not easily contemplate it" because of the colony's free market philosophy.

Hong Kong last year shipped nearly eight billion U.S. dollars worth of textile exports to the United States, 45 percent of the colony's total export. Its 400,000 textile workers make up the largest group in the total workforce.

Trade officials declined to specify how much money or how many jobs would be lost, but said the bill affects 12 percent of goods covered under the multifibre arrangement (MFA) and 70 percent of non-MFA goods.

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